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REAL ESTATE
MONITOR

DECEMBER 1986

Conducted for
Cushman & Wakefield, Inc.
by
Louis Harris and Associates, Inc.

CUSHMAN &
WAKEFIELD.
A ROCKEFELLER GROUP COMPANY

Business America's Real Estate Firm.

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Business executives know information is the survival imperative. And nowhere is that fact more critical than in today's real estate market. But while the old saying about real estate being a business of "location, location, location," remains true, other factors are clearly at work. Knowledge of these factors and the underlying attitudes of America's business leaders is now clearly crucial for effective real estate decision making.

Historical market data, often developed through painstaking effort and attention to detail, are a credit to the professionalism of the industry and to the many fine brokerage firms throughout the country. Yet, until the Cushman & Wakefield Business America Real Estate Monitor was created, the perceptions, thoughts and future plans of chief executive officers and their real estate professionals were unknown.

Cushman & Wakefield asked Louis Harris and Associates to question these decision-making trendsetters about their attitudes, opinions and plans about different American cities, the real estate market and decision making. As a foundation to the report, Harris also examined the executives' expectations of their firms' own use of real estate, the outlook for their industry and company, and for the economy in general.

I am pleased to offer you the first in a continuing series of quarterly Cushman & Wakefield Business America Real Estate Monitor studies.

Your comments are welcome.

THE CUSHMAN & WAKEFIELD
BUSINESS AMERICA REAL ESTATE MONITOR

The First of Four Quarterly Surveys

Interviewing: October 1986

Conducted for Cushman & Wakefield

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ABOUT THE MONITOR

The Cushman & Wakefield Business America Real Estate Monitor is a quarterly report on the market for commercial and industrial real estate as seen by the executives of leading U.S. corporations. The Monitor is conducted for Cushman & Wakefield by Louis Harris and Associates, the opinion research organization, and is based on surveys of executives in leading companies which, taken together, provide a representative sample of Business America.

The Monitor is designed to track:

- Executives' views of which areas are "hot" for office and for manufacturing, warehouse, and distribution locations, and which are not;
- Actual location and space expansion plans for the next year;
- Factors affecting decisions to acquire space.

For this first Monitor survey, the Harris organization interviewed 400 chief executive officers and 201 senior corporate real estate executives at companies across the nation with revenues of $100 million or more. Fieldwork began on October 8, 1986, a week and a half after the Tax Reform Bill was passed by the Senate, and ended on October 29. Interviews were conducted by telephone and lasted an average of 15 minutes each.

Percentages in the tables may not always add to 100% because of rounding or the acceptance of multiple responses.

HIGHLIGHTS FROM THE SURVEY FINDINGS

"Hot" Locations

Atlanta leads as a business location today, but a comeback for Texas may be in the offing.

The South Rises Again: The Atlanta area wins hands down when CEOs and real estate executives of top corporations nationwide are asked to rate each of twelve typical business centers as a place to locate a business today, as a place where business conditions are expected to improve in the next year, and as one or two of the most appealing areas on nine specific criteria for selecting office and industrial locations:

- Atlanta tops the list when CEOs and real estate executives are asked to rate each of twelve locations, in terms of general business conditions, "as a place to locate a business today." About two-thirds of the CEOs and real estate executives rate the area "excellent" or "very good." The runner-up, Boston, takes a distant second place with a little over half of the CEOs and real estate executives giving it positive marks. Houston and Miami come in last. Other areas on the list of twelve tested: San Francisco, Los Angeles, Seattle, Chicago, Washington, D.C., New York, Dallas, St. Louis.
- Atlanta also tops the list of areas expected to improve in the next twelve months; 31% of CEOs and 40% of the corporate real estate executives expect conditions there to get even better.
- Atlanta outshines all other areas tested in being considered one of the most appealing places to locate a business on nine specific location criteria -- three on office locations and six on manufacturing, warehouse, and distribution facility locations. On none of these criteria does Atlanta rank lower than second place. Atlanta not only takes first place, but enjoys a particularly wide lead over the runner-up, on: the cost and availability of office labor; the quality of life for office employees; and the quality of life for manufacturing, warehouse, and distribution employees.

Reports of the Death of Texas Have Been Exaggerated: Although Houston ranks below all other areas tested as a place to locate a business today and Dallas ranks well down on the list, the state does have a future, in the opinion of Business America:

- Houston and Dallas rank nearly as well as Atlanta on the list of locations where business conditions are expected to improve in the next twelve months.
- Part of the reason for these bullish expectations for Houston and Dallas may be found in their relatively high rankings on key decision making criteria. Houston is strong on the cost and availability of labor, both for offices and for manufacturing, warehouse, and distribution facilities, on the climate state and local government creates for business, and on the availability of existing fully-serviced sites. Dallas is strong on the climate government creates for business, the availability of fully-serviced sites, the quality of life for manufacturing, warehouse, and distribution workers, and the cost and availability of office employees.

Location Plans

To own or to lease? Business America is undecided on office space, but clearly leans toward owning manufacturing, warehouse, and distribution facilities.

- Larger companies, with revenues of $500 million and over, are more inclined toward leasing.
- Large majorities of CEOs and real estate executives say their real estate decisions are usually based on operational factors rather than on a concern with the investment potential of the property.

Expansion in the next twelve months: Real estate executives report moderate expectations of expansion for both office and manufacturing, warehouse, and distribution facilities in the next year:

- Over one-third of all real estate executives expect the total square footage of their office space to be somewhat greater in twelve months than it is today, while over half say it will be about the same. Only 9% say it will be less.

- 31% of all real estate executives plan to lease new office space, 23% plan to build new space, 21% plan to renovate space for offices, and 17% plan to purchase new space. Not surprisingly given their preferences on owning vs. leasing, executives in the larger companies are much more likely than those in the smaller ones to plan to lease new space.

- Types of office space planned in rank order by number of mentions: branch offices, head offices, sales offices, back-office operations or processing centers.

- Top locations for planned office facilities, in rank order by number of mentions: New York, Los Angeles, Chicago, Philadelphia, Atlanta, Hartford, Tampa/St. Petersburg.

o Over two out of five real estate executives in companies with wholesale, retail, and manufacturing operations expect the square footage of their manufacturing, warehouse, and distribution space to expand, while about the same number say it will remain the same. Only 9% expect it to decrease.

- Of those in wholesale, retail, and manufacturing companies, 29% plan to build new manufacturing, warehouse, or distribution space, 25% plan to lease new space, 14% plan to renovate space, and 14% plan to buy new space in the next year. Again, larger companies seem to be more inclined than smaller ones to lease.

- Types of facilities planned, in rank order by number of mentions: distribution centers, warehouses, processing plants, assembly plants.

- Top locations for planned manufacturing, warehouse, and distribution facilities, in rank order by number of mentions: Los Angeles, Atlanta, New York, Dallas/Fort Worth.

Factors Affecting Decisions To Acquire Space

Despite a moderate pessimism about the economy, CEOs are bullish about their own industries and companies.

As for the economy:

o 41% expect the rate of inflation to be higher in twelve months, 57% expect it to stay the same, only 2% say it will go down.

- 53% expect long-term interest rates to go up, 37% say they will remain at the same level, and 10% expect them to go down.
- 54% say wage rates will be up a year from now, 44% say they'll be the same, only 1% predict they'll go down.

However, while economic indicators and national policy do play a role in space decision making for many CEOs, these factors are not nearly as important as the condition of the industry and the company's own prospects for success:

- Majorities of CEOs say their "company's outlook for profits and losses" and "the market for [their] company's products or services" are "crucial" in the decision making on acquiring new space for the company. Considered crucial by far fewer CEOs are federal government regulations, interest rates, national tax policy, the inflation rate, and the value of the dollar.

Given their somewhat pessimistic outlook for the economy in general, CEOs' predictions for their industry in twelve months are definitely upbeat:

- One-third think market conditions will improve while half predict things will stay about the same. Only 15% fear that market conditions in their industry will worsen.
- In line with their expectations for the inflation rate, 45% of CEOs predict that price levels in their industry will be higher twelve months from now, 43% expect prices to stay the same, and 9% predict price levels will come down.

Their expectations for their own companies are also somewhat optimistic:

- Half of the CEOs predict that their companies' capital expenditures will increase over the next twelve months, while 36% say they'll stay the same and only 13% expect a decrease.
- 40% of CEOs in wholesale, retail, and manufacturing companies expect their companies' inventories to increase in the next year, 39% expect them to stay the same, and only 16% predict a decline in inventory.

- 45% of CEOs expect the number of office workers in their organizations to increase in the next twelve months, 43% expect the number to remain the same as it is now, and only 12% expect it to decrease.
- 44% of CEOs in wholesale, retail, and manufacturing companies expect the number of industrial, warehouse, and distribution facility employees to increase, 44% expect the number of those employees to stay the same, and only 7% anticipate a decrease.

Top executives of Business America's leading organizations may be somewhat sour on the economy for the next year, but when they focus in on the prospects for their own industries and their own companies, they are much more optimistic. It is these prospects, and not the economic indicators, that influence their decision making on acquiring new space. With half of Business America (according to their real estate executives) planning to lease, build, renovate, or purchase office space or industrial space in the next year, and with sizable proportions anticipating net increases in total office and industrial square footage, this mood may translate into a sizable expansion of the real estate market.

1: BUSINESS AMERICA PICKS THE BEST LOCATIONS TODAY

"Hot" Locations: Best Places to Locate a Business Today

The Atlanta area wins hands down when the CEOs and real estate executives surveyed are asked to rate each of twelve selected areas "as a place to locate a business today." The survey tested a blend of twelve areas reflecting a variety of economic settings in the United States: the Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, Miami, New York, St. Louis, San Francisco, Seattle, and Washington, D.C., areas. About two-thirds of the CEOs (67%) and the real estate executives (64%) rate Atlanta "excellent" or "very good" (Table 1-1). The Boston area takes a distant second place, with 54% of CEOs and 51% of real estate executives giving it positive marks. At the bottom of the list are Houston, with only 20% of CEOs and 24% of real estate executives rating it "excellent" or "very good," and Miami, with 24% of CEOs and 19% of real estate executives viewing it positively.

CEOs and real estate executives generally are in concurrence on these ratings. And although there are insignificant differences in the ratings by size of company, executives in larger and smaller companies alike give Atlanta the highest scores (Table 1-2).

Q.CEO-3a; REE-2a

Table 1-1

"HOT" LOCATIONS: THE BEST PLACES TO LOCATE A BUSINESS TODAY

Q.: Now I'd like to ask you about the attractiveness of several specific locations across the country. In terms of general business conditions as they relate to companies such as yours, how would you rate the (READ EACH ITEM) area as a place to locate a business today -- excellent, very good, only fair, or poor?

	"Excellent" or "Very Good"	
	CEOs	Real Estate Executives
Base	400	201
	%	%
Atlanta	67	64
Boston	54	51
San Francisco	52	49
Los Angeles	47	50
Seattle	46	43
Chicago	46	50
Washington, D.C.	44	33
New York	39	45
Dallas	35	41
St. Louis	33	28
Miami	24	19
Houston	20	24

Q.CEO-3a; REE-2a

Table 1-2

"HOT" LOCATIONS: BEST PLACES TO LOCATE A BUSINESS TODAY: BY REVENUE SIZE

Q.: Now I'd like to ask you about the attractiveness of several specific locations across the country. In terms of general business conditions as they relate to companies such as yours, how would you rate the (READ EACH ITEM) area as a place to locate a business today -- excellent, very good, only fair, or poor?

	"Excellent" or "Very Good"					
	CEOs			Real Estate Executives		
	Total	$100-$499 Million	$500 Million and Over	Total	$100-$499 Million	$500 Million and Over
Base	400	201	199	201	100	101
	%	%	%	%	%	%
Atlanta	67	66	69	64	64	63
Boston	54	51	62	51	53	44
San Francisco	52	52	53	49	48	51
Los Angeles	47	45	54	50	49	53
Seattle	46	44	54	43	41	48
Chicago	46	44	50	50	52	43
Washington, D.C.	44	44	44	33	32	38
New York	39	38	42	45	46	41
Dallas	35	34	38	41	41	42
St. Louis	33	33	31	28	27	32
Miami	24	22	31	19	20	17
Houston	20	19	21	24	25	23

Locations Where Business Conditions Will Improve

Atlanta again heads the list when CEOs and real estate executives are asked whether they expect business conditions in each of the twelve areas "to get better, get worse, or stay about the same in the next twelve months." Thirty-one percent of the CEOs and 40% of the real estate executives expect conditions in the Atlanta area will get better (Table 1-3).

But while Houston, along with Miami, gets the worst marks as a place to do business today, it ranks high on the list as an area where business conditions are expected to improve in the next year (27% of CEOs, 28% of real estate executives). The Dallas area gets much the same prognosis as Houston (26% of CEOs and 28% of real estate executives say conditions there will get better). But not many CEOs or real estate executives expect to see improvement in Miami, and according to their predictions, St. Louis, New York, and Washington won't fare better.

Observation:

According to Business America, Atlanta is still running ahead of the pack as a place to locate a business, and it's expected to get better. Its role as the business center of the Southeast may give it a special magic that other cities on the list don't have.

The other big story is that reports of the death of Texas have been exaggerated. According to executives of top corporations across America, Houston and Dallas do indeed have a future -- although Houston rates poorly as a place to locate a business today, and along with Miami and Dallas is one of the three places on the list that any appreciable number of CEOs or real estate executives expect to get worse in the next year.

Q.CEO-3b; REE-2b

Table 1-3

AREAS WHERE BUSINESS WILL GET BETTER IN NEXT TWELVE MONTHS

Q.: And if you had to say, do you think general business conditions there will get better, get worse, or stay about the same in the next twelve months?

	CEOs				Real Estate Executives			
Base	400				201			
	Get Better	Get Worse	Stay The Same	Not Sure/ Refused	Get Better	Get Worse	Stay The Same	Not Sure/ Refused
Atlanta	31	3	49	16	40	4	35	20
Houston	27	15	43	15	28	20	34	17
Dallas	26	11	46	17	28	9	47	16
Boston	25	4	51	20	30	4	45	21
Chicago	20	3	60	17	22	4	55	20
San Francisco	19	4	56	21	23	1	52	23
Seattle	18	2	50	30	22	1	47	30
Los Angeles	18	4	58	21	30	5	47	17
Washington, D.C.	17	6	59	18	16	6	56	21
New York	16	6	62	16	22	8	53	16
St. Louis	16	6	52	26	18	4	49	29
Miami	12	10	54	23	19	12	43	26

How Business America Decides Where to Locate

To set the stage for more detailed evaluations of the twelve areas under scrutiny, CEOs and real estate executives were asked to rate the importance of nine factors in decisions to locate facilities. Three of these factors, relating to office facilities, were considered by all CEOs and real estate executives interviewed in the survey. Nine other factors, relating to manufacturing, warehouse, and distribution facilities, were asked only of the executives in each group who reported that their company is involved in wholesale, retail, or manufacturing operations.

"Proximity to markets, customers, or clients" is judged by both CEOs and real estate executives to be the most important of the three factors having to do with decisions to locate office facilities. Thirty-four percent of CEOs and 36% of real estate executives deem this factor "absolutely essential" to companies such as theirs (Table 1-4). "The cost and availablity of labor in the area" is next in importance as a factor, rated "absolutely essential" for office locations by 27% of CEOs and 28% of real estate executives. Following last, "the quality of life for employees, such as the availability of housing, transportation, and recreational facilities," is considered essential when making decisions about office locations by 21% of both CEOs and real estate executives. Larger corporations seem to place less emphasis than smaller ones do on the cost and availability of labor when deciding on office locations (Table 1-5).

"Proximity to markets, customers, or clients" again heads the list of factors considered "absolutely essential" in making decisions on manufacturing, warehouse, and distribution facility locations, with 35% of CEOs and 44% of real estate executives giving this evaluation. Just about as important for CEOs is "the climate state and local government creates for business through tax policy, the extent of regulation, and so forth (34%). For real estate executives, this factor ranks third in importance, after "the cost and availability of labor in the area (43%). Following, with slight differences in ranking between the two groups of executives, are "proximity to raw materials," "the availability of existing fully-serviced sites," and lastly "the quality of life for employees, such as the availability of housing, transportation, and recreational facilities" (Table 1-6).

The findings suggest that the business climate created by state and local government, the cost and availability of labor in the area, and the quality of life for employees may be of slightly less concern to larger corporations than to smaller ones (Table 1-7).

It is worth noting that real estate executives consider the proximity of markets and the cost and availability of labor to be more important for manufacturing, warehouse, and distribution center locations than for office locations, and that both CEOs and real estate executives are more concerned about the quality of life for their office employees than for their manufacturing, warehouse, and distribution center employees (Table 1-8).

Observation:

In terms of what's considered "absolutely essential," both CEOs and real estate executives put the quality of life for employees at the bottom of list, a quantum drop from the big issues: proximity to markets, the climate government creates for business, and the cost and availability of labor. It will be interesting to see whether this quality-of-life item changes in importance over the next year or so, as Business America becomes increasingly automated, service-oriented, and information-intensive and companies vie for highly-trained technical workers.

Q.CEO-2a; REE-1a

Table 1-4

ESSENTIAL FACTORS IN DECISIONS TO LOCATE OFFICE FACILITIES

Q.: Now I'd like to discuss some of the factors corporations may consider when deciding where to locate their facilities. In thinking about locations for office facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

	"Absolutely Essential"	
	CEOs	Real Estate Executives
Base	400	201
	%	%
Proximity to markets, customers or clients	34	36
The cost and availability of labor in the area	27	28
The quality of life for employees, such as the availability of housing, transportation, and recreation facilities	21	21

Q.CEO-2a; REE-1a

Table 1-5

ESSENTIAL FACTORS IN DECISIONS TO LOCATE OFFICE FACILITIES: BY REVENUE SIZE

Q.: Now I'd like to discuss some of the factors corporations may consider when deciding where to locate their facilities. In thinking about locations for office facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

	"Absolutely Essential"					
	CEOs			Real Estate Executives		
	Total	$100-$499 Million	$500 Million and Over	Total	$100-$499 Million	$500 Million and Over
Base	400	201	199	201	100	101
	%	%	%	%	%	%
Proximity to markets, customers, or clients	34	33	37	36	35	41
The cost and availability of labor in the area	27	30	18	28	31	19
The quality of life for employees, such as the availability of housing, transportation, and recreational facilities	21	23	15	21	20	25

Q.CEO-2b; REE-1b

Table 1-6

ESSENTIAL FACTORS IN DECISIONS TO LOCATE MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES

Base: Wholesale, retail, and manufacturing companies

Q.: And, in thinking about locations for manufacturing, warehouse, or distribution facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

	"Absolutely Essential"	
	CEOs	Real Estate Executives
Base	189	121
	%	%
Proximity to markets, customers, or clients	35	44
The climate state and local government creates for business through tax policy, the extent of regulation, and so forth	34	36
The cost and availability of labor in the area	30	43
Proximity to raw materials	18	19
The availability of existing fully-serviced sites	17	20
The quality of life for employees, such as the availability of housing, transportation, and recreational facilities	9	14

Q.CEO-2b; REE-1b

Table 1-7

ESSENTIAL FACTORS IN DECISIONS TO LOCATE MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: BY REVENUE SIZE

Base: Wholesale, retail, and manufacturing companies

Q.: And, in thinking about locations for manufacturing, warehouse, or distribution facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

	"Absolutely Essential"					
	CEOs			Real Estate Executives		
	Total	$100-$499 Million	$500 Million and Over	Total	$100-$499 Million	$500 Million and Over
Base	189	89	100	121	71	50
	%	%	%	%	%	%
Proximity to markets, customers, or clients	35	34	37	44	44	44
The climate state and local government creates for business through tax policy, the extent of regulation, and so forth	34	37	28	36	37	34
The cost and availability of labor in the area	30	31	28	43	45	34
Proximity to raw materials	18	18	17	19	20	18
The availability of existing fully-serviced sites	17	20	9	20	20	22
The quality of life for employees, such as the availability of housing, transportation, and recreational facilities	9	11	6	14	14	12

Q.CEO-2a, 2b; REE-1a, 1b

Table 1-8

COMPARISON: ESSENTIAL FACTORS IN DECISIONS TO LOCATE

Q: Now I'd like to discuss some of the factors corporations may consider when deciding where to locate their facilities. In thinking about locations for office facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

Q.: And, in thinking about locations for manufacturing, warehouse, or distribution facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

	"Absolutely Essential"			
	Office (Total)		Manufacturing, Warehouse, Distribution (Wholesale, retail, and manufacturing companies)	
	CEOs	Real Estate Executives	CEOs	Real Estate Executives
Base	400	201	189	121
	%	%	%	%
Proximity to markets, customers, or clients	34	36	35	44
The cost and availability of labor in the area	27	28	30	43
The quality of life for employees	21	21	9	14

Most Appealing Areas on Specific Factors

CEOs and real estate executives who said each of the nine factors was "absolutely essential" or "important but not essential" were asked which two or three of the twelve areas tested are most appealing in terms of that factor. CEOs and real estate executives in all industries responded on the three office facilities items, but again only executives in wholesale, retail, and manufacturing companies were asked to name the best areas for the six factors related to manufacturing, warehouse, and distribution facilities.

For office facilities, as has been seen, "proximity to markets, customers, and clients" ranks first as an "absolutely essential" factor. As shown in Table 1-9, Atlanta takes a narrow lead, virtually a tie, on this item among CEOs, while Chicago moves to the top, again nearly a tie, among real estate executives. New York and Los Angeles also rank high on this list, while Houston, Washington, Miami, and Seattle don't do well at all (Table 1-9).

On "the cost and availability of labor," which ranks second as an "absolutely essential" criterion for office locations, Atlanta takes a wide lead and is followed distantly by Houston and Dallas. New York, Boston, and Miami are not seen as appealing on this item, and San Francisco, Los Angeles, and Washington come in last (Table 1-10).

"The quality of life for employees" is seen as the least essential factor for locating office facilities; Atlanta is unassailably in first place, followed by Seattle, Dallas, and San Francisco; Washington and Miami again do poorly on this criterion (Table 1-11).

On "proximity to markets," the factor most often considered essential for locating manufacturing, warehouse, or distribution facilities, Chicago is virtually tied with Atlanta among CEOs but takes the lead over Atlanta among real estate executives. New York and Los Angeles are also well regarded on this item, but Houston and Seattle are not known for their proximity to industrial and distribution markets, and Washington and Miami appear at the bottom of the list (Table 1-12).

"The climate state and local government creates for business -- the second-most important manufacturing, warehouse, and distribution facilities criterion among CEOs and the third among real estate executives -- is seen as best in Atlanta by the former and as (marginally) best in Dallas by the latter, but in either order, Atlanta and Dallas take the lead. According to these executives, the government policies in Miami, San Francisco, and Washington are most inhospitable to business (Table 1-13)."

On "the cost and availability of labor" for manufacturing, warehouse, and distribution facilities, which is second in importance to real estate executives and third in importance to CEOs, Atlanta takes a very close lead over Houston, with Dallas coming in not far behind. Los Angeles, San Francisco, and Washington are at the bottom of the list (Table 1-14).

Chicago rises to the top of the list of areas considered most appealing on "proximity to raw materials." Atlanta and Dallas (and St. Louis, according to real estate executives) follow. Washington and Miami are seen as the worst locations for proximity to raw materials (real estate executives don't think much of Seattle, San Francisco, and Boston, either) (Table 1-15).

Atlanta leads on "the availability of existing fully-serviced sites," followed (very closely, among CEOs) by Dallas and Houston. Miami and Washington come in last (Table 1-16).

Atlanta is unquestionably the leader on "the quality of life for employees" of manufacturing, warehouse, or distribution facilities, with Dallas a distant runner-up and Seattle and San Francisco not far behind Dallas. Miami and Washington are at the bottom of the list on this criterion (Table 1-17).

Q.CEO-4a; REE-3a

Table 1-9

MOST APPEALING AREAS FOR LOCATING OFFICE FACILITIES: PROXIMITY TO MARKETS, CUSTOMERS, OR CLIENTS

Base: Consider proximity to markets, customers, or clients "absolutely essential" or "important but not essential"

Q.: I'd like you to continue to keep in mind the twelve specific locations we've been talking about -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, and Los Angeles. Now I'm going to read you a few of the factors for locating office facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for office facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles?

	CEOs	Real Estate Executives
Base	285	158
	%	%
Atlanta	33	36
New York	31	27
Chicago	28	39
Los Angeles	23	22
Boston	16	14
Dallas	16	19
San Francisco	15	9
St. Louis	12	15
Houston	9	6
Washington, D.C.	7	13
Miami	5	5
Seattle	4	5
Other	2	5
Not sure/refused	9	11

Q.CEO-4a; REE-3a

Table 1-10

MOST APPEALING AREAS FOR LOCATING OFFICE FACILITIES: COST AND AVAILABILITY OF LABOR

Base: Consider cost and availability of labor "absolutely essential" or "important but not essential"

Q.: I'd like you to continue to keep in mind the twelve specific locations we've been talking about -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, and Los Angeles. Now I'm going to read you a few of the factors for locating office facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for office facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Mia[illegible] Houston, Dallas, Seattle, San Francisco, or Los Angeles?

	CEOs	Real Estate Executives
Base	283	150
	%	%
Atlanta	44	44
Houston	30	34
Dallas	30	29
St. Louis	18	14
Chicago	15	15
Seattle	13	17
New York	9	8
Boston	9	8
Miami	8	13
San Francisco	5	4
Los Angeles	5	11
Washington, D.C.	2	4
Other	1	2
Not sure/refused	13	17

Q.CEO-4a; REE-3a

Table 1-11

MOST APPEALING AREAS FOR LOCATING OFFICE FACILITIES: THE QUALITY OF LIFE FOR EMPLOYEES

Base: Consider the quality of life for employees "absolutely essential" or "important but not essential"

Q.: I'd like you to continue to keep in mind the twelve specific locations we've been talking about -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, and Los Angeles. Now I'm going to read you a few of the factors for locating office facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for office facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles?

	CEOs	Real Estate Executives
Base	334	165
	%	%
Atlanta	50	40
Seattle	25	28
Dallas	24	23
San Francisco	22	28
Boston	21	21
Chicago	13	16
Houston	13	13
New York	11	10
St. Louis	10	7
Los Angeles	9	12
Washington, D.C.	6	6
Miami	4	8
Other	2	5
Not sure/refused	8	10

Q.CEO-4b; REE-3b

Table 1-12

MOST APPEALING AREAS FOR LOCATING MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: PROXIMITY TO MARKETS, CUSTOMERS, OR CLIENTS

Base: Wholesale, retail, and manufacturing companies/consider proximity to markets, customers, or clients "absolutely essential" or "important but not essential"

Q.: Now I'm going to read you a few of the factors for locating manufacturing, warehouse, or distribution facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for these kinds of facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles?

	CEOs	Real Estate Executives
Base	148	93
	%	%
Chicago	32	43
Atlanta	31	34
New York	27	23
Los Angeles	24	22
San Francisco	17	7
St. Louis	16	18
Dallas	16	22
Boston	13	14
Houston	9	9
Seattle	7	*
Washington, D.C.	3	10
Miami	3	2
Other	1	3
Not sure/refused	13	14

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*Less than 0.5%.

Q.CEO-4b; REE-3b

Table 1-13

MOST APPEALING AREAS FOR LOCATING MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: THE CLIMATE STATE AND LOCAL GOVERNMENT CREATES FOR BUSINESS

Base: Wholesale, retail, and manufacturing companies/consider the climate state and local government creates for business "absolutely essential" or "important but not essential"

Q.: Now I'm going to read you a few of the factors for locating manufacturing, warehouse, or distribution facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for these kinds of facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles?

	CEOs	Real Estate Executives
Base	150	93
	%	%
Atlanta	42	34
Dallas	34	39
Houston	32	28
St. Louis	14	12
Seattle	11	10
Chicago	9	8
New York	8	6
Los Angeles	7	7
Boston	6	7
Miami	4	9
San Francisco	4	4
Washington, D.C.	*	-
Other	3	3
Not sure/refused	15	30

---

*Less than 0.5%.

Q.CEO-4b; REE-3b

Table 1-14

MOST APPEALING AREAS FOR LOCATING MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: COST AND AVAILABILITY OF LABOR

Base: Wholesale, retail, and manufacturing companies/consider cost and availability of labor "absolutely essential" or "important but not essential"

Q.: Now I'm going to read you a few of the factors for locating manufacturing, warehouse, or distribution facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for these kinds of facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles?

	CEOs	Real Estate Executives
Base	142	93
	%	%
Atlanta	39	46
Houston	35	41
Dallas	29	34
St. Louis	19	20
Chicago	15	12
New York	11	3
Seattle	9	14
Boston	6	3
Miami	6	11
Los Angeles	5	6
San Francisco	3	2
Washington, D.C.	1	2
Other	2	3
Not sure/refused	13	17

Q.CEO-4b; REE-3b

Table 1-15

MOST APPEALING AREAS FOR LOCATING MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: PROXIMITY TO RAW MATERIALS

Base: Wholesale, retail, and manufacturing companies/consider proximity
to raw materials "absolutely essential" or
"important but not essential"

Q.: Now I'm going to read you a few of the factors for locating manufacturing, warehouse, or distribution facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for these kinds of facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles?

	CEOs	Real Estate Executives
Base	95	62
	%	%
Chicago	25	41
Atlanta	24	31
Dallas	20	24
New York	15	18
St. Louis	15	26
Los Angeles	13	8
Houston	12	17
Seattle	11	5
San Francisco	9	5
Boston	7	5
Washington, D.C.	5	5
Miami	2	5
Other	2	5
Not sure/refused	15	12

Q.CEO-4b; REE-3b

Table 1-16

MOST APPEALING AREAS FOR LOCATING MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: THE AVAILABILITY OF EXISTING FULLY-SERVICED SITES

Base: Wholesale, retail, and manufacturing companies/consider the availability of existing fully-serviced sites "absolutely essential" or "important but not essential"

Q.: Now I'm going to read you a few of the factors for locating manufacturing, warehouse, or distribution facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for these kinds of facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles?

	CEOs	Real Estate Executives
Base	115	77
	%	%
Atlanta	29	37
Dallas	28	24
Houston	24	20
New York	17	10
Chicago	17	20
St. Louis	14	12
Los Angeles	14	11
Boston	7	6
San Francisco	5	5
Seattle	4	4
Washington, D.C.	1	-
Miami	1	4
Other	*	2
Not sure/refused	21	34

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*Less than 0.5%.

Q.CEO-4b; REE-3b

Table 1-17

MOST APPEALING AREAS FOR LOCATING MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: THE QUALITY OF LIFE FOR EMPLOYEES

Base: Wholesale, retail, and manufacturing companies/consider the quality of life for employees "absolutely essential" or "important but not essential"

Q.: Now I'm going to read you a few of the factors for locating manufacturing, warehouse, or distribution facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for these kinds of facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles?

	CEOs	Real Estate Executives
Base	139	86
	%	%
Atlanta	45	46
Dallas	22	28
Seattle	18	25
San Francisco	18	21
Chicago	14	10
St. Louis	14	8
Houston	14	17
Boston	12	14
Los Angeles	12	16
New York	9	9
Miami	3	8
Washington, D.C.	2	3
Other	3	1
Not sure/refused	13	15

Area Profiles

Table 1-18 summarizes the results of these specific evaluations by showing the average ranking on all factors for each of the twelve locations tested.

With an average ranking of 1.2 among CEOs and 1.4 among real estate executives, Atlanta wins handily as an appealing location on the specific criteria, a finding that explains that area's unassailable top ranking as a place to locate a business today. Atlanta takes first place on seven out of the nine factors among CEOs and on five out of the nine among real estate executives. On no item does it rank lower than second place among either group of executives. It enjoys a wide lead, and thus shows the greatest margin of excellence, over competing areas on:

- The cost and availability of office labor;
- The quality of life for office employees;
- The quality of life for manufacturing, warehouse, and distribution employees.

With an average ranking of 3.1 among both CEOs and real estate executives, Dallas fares surprisingly better on these specific ratings than it does as a place to locate a business today. However, its high rankings on some of these criteria confirm the optimism that CEOs and real estate executives express about the area's prospects for improvement in the next year. Dallas's particular strengths are perceived to be:

- The climate state and local government creates for business;
- The availability of existing fully-serviced sites;
- The quality of life for manufacturing, warehouse, and distribution employees;
- The cost and availability of office labor.

The Chicago area has an average ranking of 4.0 among CEOs and 4.2 among real estate executives. It takes first place among both groups of executives on two key manufacturing/warehouse/distribution facilities criteria:

-- Proximity to markets:

-- Proximity to raw materials.

The area also ranks well on:

-- Proximity to markets, customers, or clients for office facilities;

-- The availability of existing fully-serviced sites.

Chicago gets middling to fair ratings on all other criteria, falling as low as eighth position (among real estate executives) on the quality of life for manufacturing, warehouse, and distribution employees.

With a 5.3 and 5.2 average ranking among CEOs and real estate executives, respectively, the Houston area holds second position for both groups on:

-- The cost and availability of office labor and of manufacturing, warehouse, and distribution labor.

It is ranks third among both groups on:

-- The climate state and local government creates;

-- The availability of existing fully-serviced sites.

St. Louis ranks in the middle of the pack, with an average of 5.6 among CEOs and 6.1 among real estate executives. The area is relatively good on:

-- The cost and availability of labor for both office facilities and manufacturing, warehouse, and distribution facilities.

-- Proximity to raw materials;

-- The climate government creates.

St. Louis's weakest area seems to be:

-- Quality of life for employees, both office and manufacturing, warehouse, or distribution.

The New York area gets middling to fair rankings on these criteria, with an average rank of 5.7 among CEOs and 7.1 among real estate executives. The area's strengths are:

-- Proximity to markets;

-- Proximity to raw materials.

Its weaknesses:

-- Quality of life for employees;

-- Government climate;

-- Cost of labor.

Seattle garners an average ranking of 7.0 among CEOs and 6.6 among real estate executives. It's seen as quite good on:

-- The quality of life for both office and manufacturing, warehouse, and distribution workers.

The area's major weaknesses are seen as:

-- Proximity to markets;

-- Availability of existing fully-serviced sites.

Los Angeles has an average ranking of 7.3 among CEOs and 6.6 among real estate executives. Its highest scores, although no higher than fourth place, are on:

-- Proximity to markets, customers, or clients for both office facilities and manufacturing, warehouse, and distribution facilities.

It is comparatively weak on:

-- The cost and availability of both office and manufacturing, warehouse, and distribution labor;

-- The quality of life for office workers.

Boston's average ranking is an only-fair 7.6 among both CEOs and real estate executives. Its does best, although no better than fifth rank, on:

-- The quality of life for office employees;

-- Proximity to markets, customers, or clients for office facilities.

Boston gets middling to low rankings on all of the other criteria.

The San Francisco area also shows a mediocre average ranking of 7.6 among CEOs and 8.3 among real estate executives. It does relatively well, however, on:

-- The quality of life for employees, both office and manufacturing, warehouse, and distribution.

Its greatest weaknesses are:

-- The cost and availability of labor, both office and manufacturing, warehouse, and distribution;

-- The climate created by government.

Miami's average ranking of 10.6 among CEOs and 8.9 among real estate executives is not enviable. It does most poorly, sometimes ranking last, on:

-- The quality of life for both office and manufacturing, warehouse, and distribution employees;

-- Proximity to markets, customers, or clients for both office and manufacturing, warehouse, or distribution facilities;

-- The availability of fully-serviced sites;

-- Proximity to raw materials.

The only items on which it receives a single-digit rank among both groups of executives are:

-- The cost and availability of labor, for office facilities and for manufacturing, warehouse, and distribution facilities.

Washington receives the lowest average ranking -- 11.3 among CEOs and 10.4 among real estate executives. It's on the bottom or the next-to-bottom rung for both CEOs and real estate executives on six of the nine items, and for two more among the CEOs alone. Very relatively speaking, the area's best rating is on:

-- Proximity to markets, customers, or clients for office facilities.

In addition, among real estate executives, the area is ranked somewhat higher than rock-bottom on:

-- Proximity to markets for manufacturing, warehouse, or distribution facilities;

-- Proximity to raw materials.

Q.CEO-4a, 4b; REE-3a, 3b

Table 1-18

ESSENTIAL FACTORS IN DECISIONS TO LOCATE: AVERAGE RANKINGS

	Total*		Three Office Factors		Six Manufacturing, Warehouse, Distribution Factors	
	CEOs	Real Estate Executives	CEOs	Real Estate Executives	CEOs	Real Estate Executives
	#	#	#	#	#	#
Atlanta	1.2	1.4	1.0	1.3	1.3	1.5
Dallas	3.1	3.1	3.3	4.0	3.0	2.7
Chicago	4.0	4.2	4.7	4.0	3.7	4.3
Houston	5.3	5.2	5.7	6.3	5.2	4.7
St. Louis	5.6	6.1	7.0	7.7	4.8	5.3
New York	5.7	7.1	5.7	7.0	5.7	7.2
Seattle	7.0	6.6	6.7	5.7	7.2	7.2
Los Angeles	7.3	6.6	8.0	6.7	7.0	6.5
Boston	7.6	7.6	5.7	7.0	8.5	7.8
San Francisco	7.6	8.3	7.0	7.3	7.8	8.8
Miami	10.6	8.9	10.7	9.3	10.5	8.7
Washington	11.3	10.4	11.0	10.3	11.5	10.5

---

*Averages for office and industrial factors may not add exactly to totals because of rounding.

2: LOCATION PLANS AND INTENTIONS

Preferences for Owning and Leasing

CEOs and real estate executives both split about evenly no whether they prefer owning or leasing for office space (Table 2-1). Smaller companies with revenues of between $100 million and $500 million, are slightly more inclined toward ownership of office space, while larger companies with $500 million or over in revenues show a preference for leasing.

For manufacturing, warehouse, and distribution space, the situation is altogether different. Among those in wholesale, retail, and manufacturing companies, majorities of both CEOs and real estate executives would rather own their facilities (Table 2-2), although CEOs in the larger companies are somewhat more likely than those in smaller ones to favor leasing.

As a footnote to the leasing vs. owning debate, large majorities of both the CEOs and the real estate executives say their real estate decisions are usually based on operational factors rather than on a concern with the investment potential of the property (Table 2-3).

Q.CEO-6b; REE-5f

Table 2-1

PREFERENCE FOR OWNING OR LEASING OFFICE SPACE

Q.: And, if you had to say, which do you prefer for office space -- leasing or owning?

	CEOs			Real Estate Executives		
	Total	$100-$499 Million	$500-Million and Over	Total	$100-$499 Million	$500 Million and Over
Base	400	201	199	201	100	101
	%	%	%	%	%	%
Owning	47	50	36	49	52	41
Leasing	44	41	55	46	45	50
Depends	7	7	9	4	3	7
Not sure/refused	1	1	1	1	-	3

Q.CEO-7b; REE-6f

Table 2-2

PREFERENCE FOR OWNING OR LEASING MANUFACTURING, WAREHOUSE, OR DISTRIBUTION SPACE

Base: Wholesale, retail, and manufacturing companies

Q.: And, if you had to say, which do you prefer for manufacturing, warehouse, or distribution space -- leasing or owning?

	CEOs			Real Estate Executives		
	Total	\$100-\$499 Million	\$500-Million and Over	Total	\$100-\$499 Million	\$500 Million and Over
Base	189	89	100	121	71	50
	%	%	%	%	%	%
Owning	60	61	56	67	69	56
Leasing	26	24	33	20	20	22
Depends	8	8	8	10	8	16
Not sure/refused	6	7	3	3	3	6

Q.CEO-5; REE-4

Table 2-3

INVESTMENT POTENTIAL VS. OPERATIONAL FACTORS

Q.: In making a real estate decision, do you usually take into consideration the investment potential of a piece of property, or are you primarily concerned with operational factors?

	CEOs	Real Estate Executives
Base	400	201
	%	%
Operational factors	73	73
Investment potential	11	10
Both (vol.)	12	16
Depends (vol.)	1	-
Not sure/refused	3	*

---

*Less than 0.5%.

Expectations for Expansion of Facilities in Next Twelve Months

Real estate executives report moderate expectations of expansion for both office and manufacturing, warehouse, and distribution facilities in the next year. Over one-third (36%) of all real estate executives expect the total square footage of their office space to be somewhat greater in twelve months than it is today, while a little over half (55%) say it will be about the same. Only 9% say it will be less (Table 2-4).

Over two in five (43%) real estate executives in companies with wholesale, retail, and manufacturing operations expect the square footage of their manufacturing, warehouse, and distribution space to expand, while about the same number (41%) say it will remain the same. Again, only 9% expect it to decrease.

Q.REE-8a, 8b

Table 2-4

EXPECTATIONS FOR TOTAL UNITED STATES SQUARE FOOTAGE IN TWELVE MONTHS

Q.: In twelve months, do you expect your company's total square footage of office space in the U.S. to be much greater than it is today, somewhat greater, about the same, somewhat less, or much less than it is today?

Q.: In twelve months, do you expect your company's total square footage of manufacturing, warehouse, and distribution space in the U.S. to be much greater than it is today, somewhat greater, about the same, somewhat less, or much less than it is today?

	Real Estate Executives
Expect Office Space to Be:	
(Base: Total)	(201)
	%
Much greater	2
Somewhat greater	34
About the same	55
Somewhat less	8
Much less	1
Not sure/refused	*
Expect Manufacturing, Warehouse, and Distribution Space to Be:	
(Base: Wholesale, retail, and manufacturing companies)	(121)
	%
Much greater	3
Somewhat greater	40
About the same	41
Somewhat less	7
Much less	2
Not sure/refused	7

---

*Less than 0.5%.

Plans for Offices

Just over 3 in 10 real estate executives report their organizations plan to lease new office space in the next twelve months (Table 2-5). Not surprisingly given the findings for leasing and owning preferences, larger companies are more likely to lease than smaller ones. Twenty-three percent plan to build new office space, and the findings suggest that larger companies are more likely to do so than smaller ones. About one in five plan to acquire space and renovate it for offices in the next twelve months -- again, the larger companies are more likely to say they plan to do so. And a small 17% say they intend to purchase office space in the next year.

Those who plan to acquire new office space in any of these ways report they envision, above all, branch offices, with head offices mentioned next most often. Smaller numbers of real estate executives mention sales offices and back-office operations or processing facilities.

Those who plan to acquire new space for offices see these facilities located in the New York area, followed by Los Angeles, Chicago, Philadelphia, Atlanta, Hartford, and Tampa/St. Petersburg.

Plans for Industrial Facilities

About the same number of real estate executives at wholesale, retail, and manufacturing companies plan to build (29%) as plan to lease (25%) industrial, warehouse, or distribution space (Table 2-6). At another order of magnitude, the same number plan to renovate space for these purposes (14%) as plan to buy space (14%).

Those who plan to expand their manufacturing, warehouse, or distribution space in any of these ways say the expansion will take the form, above all, of distribution centers. Mentioned next most often are warehouses, followed by processing plants and assembly plants

More than anywhere else, real estate executives plan to locate these new manufacturing, warehouse and distribution facilities in the Los Angeles area (which ranks second among real estate executives on being expected to improve in the next twelve months). Atlanta, New York, and Dallas/Fort Worth are also mentioned as locations.

Q.REE-5a, 5b, 5d

Table 2-5

SPACE PLANS: OFFICES

Q.: Thinking about all of your office operations in the United States, in the next twelve months do you plan to (READ EACH ITEM), or not?

Q.: What sort of office facilities are you planning to create in the new space? (READ IF NECESSARY:) For example, a head office, a branch office, a back-office facility or processing center, or a sales office?

Q.: In which cities or areas are you planning to acquire office space in the next twelve months?

	Real Estate Executives		
	Total	$100-$499 Million	$500 Million And Over
Base	201	100	101
	%	%	%
Plan to:			
Lease new space	31	28	42
Build new space	23	21	29
Acquire space to renovate	21	18	29
Purchase new space	17	16	19
Type of Facilities Planned:			
(Base: Plan to lease, build, purchase, or renovate)	(106)	(45)	(61)
	%	%	%
Branch office	44	44	43
Head office	33	36	26
Sales office	17	18	15
Back-office/processing	10	7	16
Other	8	9	5
Top Locations Planned:			
(Base: Plan to lease, build, purchase, or renovate)	(106)	(45)	(61)
	%	%	%
New York City area	12	11	15
Los Angeles area	9	9	10
Chicago area	7	7	8
Philadelphia area	6	7	3
Atlanta area	5	4	5
Hartford area	5	7	2
Tampa/St. Petersburg area	5	7	2

Q.REE-6a, 6b, 6d

Table 2-6

SPACE PLANS: MANUFACTURING, WAREHOUSE, AND DISTRIBUTION FACILITIES

Base: Wholesale, retail, and manufacturing companies

Q.: Thinking about all of your manufacturing, warehouse, or distribution operations in the United States, in the next twelve months do you plan to (READ EACH ITEM), or not?

Q.: What sort of manufacturing, warehouse, or distribution facilities are you planning to create in the new space? (READ IF NECESSARY:) For example, an assembly plant, a processing plant, an extraction plant, a warehouse, or a distribution center?

Q.: In which cities or areas are you planning to acquire manufacturing, warehouse, or distribution space in the next twelve months?

	Real Estate Executives		
	Total	$100-$499 Million	$500 Million And Over
Base	121	71	50
	%	%	%
Plan to:			
Build new space	29	28	30
Lease new space	25	24	30
Acquire space to renovate	14	13	22
Purchase new space	14	11	28
Type of Facilities Planned:			
(Base: Plan to lease, build, purchase, or renovate)	(60)	(33)	(27)
	%	%	%
Distribution center	44	39	59
Warehouse	33	36	22
Processing plant	27	30	15
Assembly plant	21	21	22
Other	4	3	7
Top Locations Planned:			
(Base: Plan to lease, build, purchase, or renovate)	(60)	(33)	(27)
	%	%	%
Los Angeles area	17	15	22
Atlanta area	7	9	-
New York City area	6	3	19
Dallas/Ft. Worth area	5	6	-

3: FACTORS LEADING TO DECISIONS TO ACQUIRE SPACE

Expectations for the Economy

CEOs are moderately pessimistic in their expectations for the economy twelve months from now. Virtually no one anticipates that the rate of inflation, long-term interest rates, or wage rates will be much higher in a year. But 40% predict the inflation rate will be somewhat higher, while well over half -- 57% -- think it will remain about the same as it is now. A 52% majority say long-term interest rates will be somewhat higher in twelve months, 37% say they'll stay about the same, and 10% expect them to come down somewhat. And over half -- 54% -- say wages will be somewhat higher, while 44% predict they'll be about the same (Table 3-1).

Relative Importance of Decision Making Factors

Table 3-2 shows, however, that while economic indicators and national policy do play a role in space decision making for many CEOs, these factors are not nearly as important as the condition of the industry and the company's own expectations for success. A majority of CEOs report that their "company's outlook for profits and losses" and "the market for [their] company's products or services" are "crucial" in their decision making on acquiring new space for the company (both 58%). Considered "crucial" by far fewer CEOs are federal government regulations (22%), interest rates (21%), national tax policy (21%), the rate of inflation (11%), and the value of the dollar (9%).

Q.CEO-1a, 1b, 1c

Table 3-1

EXPECTATIONS FOR THE ECONOMY IN TWELVE MONTHS

Q.: To begin, I'd like to ask you a few questions about the economy and your industry. Twelve months from now, do you expect that the rate of inflation will be much higher, somewhat higher, about the same, somewhat lower, or much lower than it is today?

Q.: Twelve months from now, do you expect that long-term interest rates will be much higher, somewhat higher, about the same, somewhat lower, or much lower than they are today?

Q.: What about wage rates twelve months from now -- do you think they'll be much higher, somewhat higher, about the same, somewhat lower, or much lower than they are today?

	CEOs					
Base: 400	Much Higher %	Somewhat Higher %	About the Same %	Somewhat Lower %	Much Lower %	Not Sure/ Refused %
Rate of inflation	1	40	57	2	-	1
Long-term interest rates	1	52	37	10	*	1
Wage rates	*	54	44	1	-	*

---

*Less than 0.5%.

Q.CEO-8

Table 3-2

IMPORTANCE OF FACTORS IN SPACE DECISION MAKING

Q.: How important a factor is/are (READ EACH ITEM) in your decision making on acquiring new space for the company -- is this crucial, important but not crucial, not very important, or not at all important? Remember, we're talking about the space your company uses in its day-to-day operations, not real estate acquired for investment purposes.

Base: 400	"Crucial" %	"Crucial" or "Important" But Not "Crucial" %
Your company's outlook for profits and losses	58	93
The market for your company's products or services	58	88
Federal government regulations	22	72
Interest rates	21	79
National tax policy	21	72
The rate of inflation	11	68
The value of the dollar	9	54

Expectations for the Industry and the Company

CEOs' predictions on what market conditions in their industry will be like in twelve months are definitely upbeat, given their expectations on inflation and interest rates. Fully one-third of the CEOs think conditions will improve (35%), while nearly half (48%) believe things will stay about the same. Only 15% predict that conditions in their industry will worsen (Table 3-3). CEOs in companies primarily involved with finance, insurance, or real estate seem more likely than average to feel conditions in their industry will get worse, while those in companies primarily engaged in manufacturing seem less likely than average to feel this way. CEOs in companies primarily engaged in wholesale or retail trade are right on average.

In line with their expectations for the inflation rate, 45% of CEOs predict that price levels in their industry will be higher twelve months from now, 43% expect prices to stay about the same, and 9% predict price levels will come down (Table 3-4). CEOs in finance, insurance, and real estate companies seem somewhat less likely than those in manufacturing and in wholesale or retail companies to predict price levels will rise with inflation.

Turning to the company itself, CEOs are upbeat in their expectations for the company's capital expenditures over the next twelve months (Table 3-5). Half of the CEOs expect capital expenditures to increase, 36% say they'll stay the same, and only 13% predict a decrease.

Forty percent of CEOs in wholesale, retail, and manufacturing companies expect their companies' inventories to increase in the next year, 39% expect them to stay the same, and only 16% anticipate a decline in inventory (Table 3-6).

Forty-five percent of CEOs expect the number of office employees in their organizations to increase in the next twelve months, 43% expect the number to stay the same, and only 12% expect it to decrease. Similarly, 44% of CEOs in wholesale, retail, and manufacturing companies expect the number of manufacturing, warehouse, and distribution employees to increase, 44% expect it to stay the same, and only 7% anticipate a decrease (Table 3-7).

Observation:

CEOs may be professional optimists, but these leaders of Business America's top organizations are quite upbeat about their own industries' and companies' prospects for the next year, even as their predictions for the economy express a guarded pessimism. Especially telling for the real estate picture are anticipated increases in numbers of employees.

As has been reported, this mood translates into expectations of sizable increases in both office and industrial space.

Q.CEO-1e

Table 3-3

EXPECTATIONS FOR MARKET CONDITIONS IN INDUSTRY IN TWELVE MONTHS

Q.: Twelve months from now, do you think market conditions in your industry will be much better, somewhat better, about the same, somewhat worse, or much worse than they are today?

	CEOs			
	Total	Manufacturing	Wholesale/ Retail	Finance/ Insurance/ Real Estate
Base	400	110	91	105
	%	%	%	%
Much better	3	3	3	3
Somewhat better	32	29	31	34
About the same	48	56	48	39
Somewhat worse	14	9	13	21
Much worse	1	-	2	*
Not sure/refused	2	3	3	1

---

*Less than 0.5%.

Q.CEO-1d

Table 3-4

EXPECTATIONS FOR PRICE LEVEL IN INDUSTRY IN TWELVE MONTHS

Q.: How about price levels in your industry -- twelve months from now do you predict they'll be much higher, somewhat higher, about the same, somewhat lower, or much lower than they are today?

	CEOs			
	Total	Manufacturing	Wholesale/ Retail	Finance/ Insurance/ Real Estate
Base	400	110	91	105
	%	%	%	%
Much higher	1	1	2	1
Somewhat higher	44	47	50	39
About the same	43	41	38	51
Somewhat lower	8	9	8	5
Much lower	1	1	2	*
Not sure/refused	3	*	1	3

---

*Less than 0.5%.

Q.CEO-12

Table 3-5

EXPECTATIONS FOR COMPANY'S CAPITAL EXPENDITURES OVER NEXT TWELVE MONTHS

Q.: Over the next twelve months do you expect your company's capital expenditures to increase a great deal, increase somewhat, stay the same as they've been this year, decrease somewhat, or decrease a great deal?

	CEOs
Base	400
	%
Increase a great deal	7
Increase somewhat	43
Stay the same	36
Decrease somewhat	11
Decrease a great deal	2
Not sure/refused	1

Q.CEO-11

Table 3-6

EXPECTATIONS FOR COMPANY'S INVENTORY IN NEXT TWELVE MONTHS

Base: Wholesale, retail, and manufacturing companies

Q.: And what about the level of inventory maintained by your company overall -- do you expect that this will increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal in the next twelve months?

	CEOs
Base	189
	%
Increase a great deal	3
Increase somewhat	37
Stay the same	39
Decrease somewhat	14
Decrease a great deal	2
Not sure/refused	4

Q.CEO-10a, 10b

Table 3-7

EXPECTATIONS FOR NUMBER OF EMPLOYEES OVER NEXT TWELVE MONTHS

Q.: Over the next twelve months, do you expect the number of office employees working for your company overall to increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal?

Q.: Over the next twelve months, do you expect the number of manufacturing, warehouse, and distribution employees working for your company overall to increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal?

	CEOs
Expect Number of Office Employees to:	
(Base: Total)	(400) %
Increase a great deal	4
Increase somewhat	41
Stay the same	43
Decrease somewhat	11
Decrease a great deal	1
Not sure/refused	-
Expect Number of Manufacturing, Warehouse, and Distribution Employees to:	
(Base: Wholesale, retail, and manufacturing companies)	(189) %
Increase a great deal	2
Increase somewhat	42
Stay the same	44
Decrease somewhat	7
Decrease a great deal	*
Not sure/refused	4

---

*Less than 0.5%.

APPENDIX A: RESEARCH METHOD

How the Survey Was Conducted

From October 8 through 29, 1986, Louis Harris and Associates interviewed 400 chief executive officers or their designees (typically chief financial officers) and 201 senior corporate real estate executives at companies nationwide. Each of these sets of interviews constitutes a representative sample of publicly- and privately-held corporations listed in Dun & Bradstreet, including both service and industrial organizations, with revenues of $100 million or more. Nonprofit organizations, government entities, and for-profit hospitals, schools, and colleges were systematically excluded from the sampling frame.

Within each sample group, size quotas were set so that a nearly equal number of interviews were completed among smaller companies with between $100 million and $499 million in revenues and among larger companies with $500 million and more in revenues. The purpose of this procedure was to ensure a statistically readable base of companies in the upper size category, which represent only one-quarter of the universe of all organizations with $100 million or more in revenues. When the results were tabulated, statistical weights were applied to the data so that the readings for each sample in total (or for segments other than revenue size) are projectable to the universe of all companies meeting the inclusion criteria with at least $100 million in revenues. In short, the Harris firm has created a scale model of Business America that allows meaningful analysis by size of company. The table that follows profiles the samples of CEOs and real estate executives.

Table A-1

PROFILE OF THE SAMPLE

	CEOs	Real Estate Executives
Base	400	201
	%	%
Size by Revenues		
Total $100-$499 million	75	75
$100-249 million	51	59
$250-499 million	24	17
Total $500 million and over	25	25
$500-749 million	7	6
$750 million and over	18	19
Region		
East	29	37
South	27	23
Midwest	25	27
West	18	12
Industry		
Manufacturing	27	36
Wholesale/retail	24	23
Finance/insurance/real estate	26	14

All interviews were conducted by telephone from the Harris firm's central facilities in Manhattan, using a computer-assisted telephone interviewing (CATI) system. Each interview took approximately 15 minutes, on average, to complete.

Following the completion of fieldwork, the results were tabulated by computer using software specially designed for survey research applications.

Sampling Error

The results from any sample survey are subject to sampling error. Sampling error has been defined as the difference between the results obtained from the sample and those that would have been obtained had the entire population been surveyed. For a sample of 400, one can say with 95% certainty that a result of 50% has a statistical precision of plus or minus 5 percentage points. For a sample of 200, the tolerance is plus or minus 7 points.

APPENDIX B: THE QUESTIONNAIRES

LOUIS HARRIS AND ASSOCIATES, INC.
630 Fifth Avenue
New York, New York 10111

/ FOR OFFICE USE ONLY:
/
/ Questionnaire No.:____________
/
/________________________5-6-7-8____

Study No. 861023 (CEOs/CFOs)

September 26, 1986

Sample Point No./ / / / / / / / /

Time Started:________A.M./P.M.

Interviewer:________________________________ I.D. No.:______ Date:______________

Respondent's Name: ____

Respondent's Title: ____

Name of Corporation: ____

Address: ____

Area Code: __________________Telephone No.: ________________________

SWITCHBOARD INTRODUCTION:

Hello, I'm _________ calling from Louis Harris and Associates, the national opinion research organization. I'd like to speak with Mr./Ms. ____________________, please.

RESPONDENT INTRODUCTION:

Hello, I'm ________________calling from Louis Harris and Associates, the national opinion research organization. As you know from Mr. Harris's letter, we're conducting a survey called the Business Real Estate Monitor, which will track the opinions of high-level executives like yourself on issues having to do with corporate real estate decisionmaking. Of course neither your name nor the name of your organization will be revealed to the public or even to the survey sponsor. All results will be reported in aggregate statistical form only. Your participation will go a long way towards making the survey a success. We'll be happy to send you a short summary of the results after the survey is completed.

INTERVIEWER: RECORD FROM SAMPLE CARD:

REVENUE SIZE: $ /_/_/_/_/ , /_/_/_/_/ , /_/_/_/_/ ,000
(-)

SIC: /_/_/_/_/
(-)

A. Is your organization involved in wholesale, retail, or manufacturing operations, or not?

Involved in wholesale/retail/manufacturing......(__(____-1
Not involved in wholesale/retail/manufacturing......____-2

1a. To begin, I'd like to ask you a few questions about the economy and your industry. Twelve months from now, do you expect that the rate of inflation will be much higher, somewhat higher, about the same, somewhat lower, or much lower than it is today?

Much higher............(__(_____-1
Somewhat higher.............._____-2
About the same.............._____-3
Somewhat lower.............._____-4
Much lower.................._____-5
Not sure...................._____-6

1b. Twelve months from now, do you expect that long-term interest rates will be much higher, somewhat higher, about the same, somewhat lower, or much lower than they are today?

Much higher............(__(_____-1
Somewhat higher.............._____-2
About the same.............._____-3
Somewhat lower.............._____-4
Much lower.................._____-5
Not sure...................._____-6

1c. What about wage rates twelve months from now -- do you think they'll be much higher, somewhat higher, about the same, somewhat lower, or much lower than they are today?

Much higher............(__(_____-1
Somewhat higher.............._____-2
About the same.............._____-3
Somewhat lower.............._____-4
Much lower.................._____-5
Not sure...................._____-6

1d. How about price levels in your industry -- twelve months from now do you predict they'll be much higher, somewhat higher, about the same, somewhat lower, or much lower than they are today?

Much higher............(__(_____-1
Somewhat higher.............._____-2
About the same.............._____-3
Somewhat lower.............._____-4
Much lower.................._____-5
Not sure...................._____-6

1e. Twelve months from now, do you think market conditions in your industry will be much better, somewhat better, about the same, somewhat worse, or much worse than they are today?

Much better............(__(_____-1
Somewhat better.............._____-2
About the same.............._____-3
Somewhat worse.............._____-4
Much worse.................._____-5
Not sure...................._____-6

2a. Now I'd like to discuss some of the factors corporations may consider when deciding where to locate their facilities. In thinking about locations for office facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

ROTATE -- START AT "X"	Absolutely Essential	Important but Not Essential	Not Very Important	Not at All Important	Not Sure
( ) 1. The cost and availability of labor in the area................(	(____-1	____-2	____-3	____-4	____-5
( ) 2. The quality of life for employees, such as the availability of housing, transportation, and recreational facilities..........(	(____-1	____-2	____-3	____-4	____-5
( ) 3. Proximity to markets, customers, or clients.......................(	(____-1	____-2	____-3	____-4	____-5

ASK Q.2b IF WHOLESALE, RETAIL, OR MANUFACTURING COMPANY ON FACE SHEET -- SKIP OTHERS TO Q.3a.

2b. And, in thinking about locations for manufacturing, warehouse, or distribution facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

ROTATE -- START AT "X"	Absolutely Essential	Important but Not Essential	Not Very Important	Not at All Important	Not Sure
( ) 1. The cost and availability of labor in the area................(	(____-1	____-2	____-3	____-4	____-5
( ) 2. The quality of life for employees, such as the availability of housing, transportation, and recreational facilities...........(	(____-1	____-2	____-3	____-4	____-5
( ) 3. Proximity to markets, customers, or clients.......................(	(____-1	____-2	____-3	____-4	____-5
( ) 4. Proximity to raw materials........(	(____-1	____-2	____-3	____-4	____-5
( ) 5. The climate state and local government creates for business through tax policy, the extent of regulation, and so forth.......(	(____-1	____-2	____-3	____-4	____-5
( ) 6. The availability of existing fully-serviced sites..............(	(____-1	____-2	____-3	____-4	____-5

ASK EVERYONE -- ASK Q.3a-Q.3b IN SEQUENCE FOR EACH ITEM

3a. Now I'd like to ask you about the attractiveness of several specific locations across the country. In terms of general business conditions as they relate to companies such as yours, how would you rate the (READ EACH ITEM) area as a place to locate a business today — excellent, very good, only fair, or poor? RECORD BELOW

3b. And if you had to say, do you think general business conditions there will get better, get worse, or stay abut the same in the next twelve months? RECORD BELOW

	Q.3a					Q.3b			
ROTATE -- START AT "X"	Excellent	Very Good	Only Fair	Poor	Not Sure	Better	Worse	Same	Not Sure
( ) 1. New York............	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 2. Boston..............	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 3. Chicago.............	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 4. Washington, D.C.....	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 5. Atlanta.............	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 6. St. Louis...........	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 7. Miami...............	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 8. Houston.............	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 9. Dallas..............	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 10. Seattle............	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 11. San Francisco......	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4
( ) 12. Los Angeles........	(__(___-1	___-2	___-3	___-4	___-5	(__(___-1	___-2	___-3	___-4

ASK Q.4a FOR EACH ITEM "ABSOLUTELY ESSENTIAL" OR "IMPORTANT" IN Q.2a

4a. I'd like you to continue to keep in mind the twelve specific locations we've been talking about -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, and Los Angeles. Now I'm going to read you a few of the factors for locating office facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for office facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles? MULTIPLE RECORD

ROTATE -- START AT "X"	New York	Boston	Chicago	Wash-ington, D.C.	At-lanta	St. Louis	Miami	Hou-ston	Dallas	Seattle	S.F.	L.A.	Other (SPECIFY):	Not Sure
( ) 1. The cost and availability of labor in the area.	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________((___-1	___-2
( ) 2. The quality of life for employees, such as the availability of housing, transportation, and recreational facilities.	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________((___-1	___-2
( ) 3. Proximity to markets, customers, or clients........	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________((___-1	___-2

ASK Q.4b FOR EACH ITEM "ABSOLUTELY ESSENTIAL" OR "IMPORTANT" IN Q.2b

ASK Q.4b IF WHOLESALE, RETAIL, OR MANUFACTURING COMPANY ON FACE SHEET -- SKIP OTHERS TO Q.5

4b. Now I'm going to read you a few of the factors for locating manufacturing, warehouse, or distribution facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for these kinds of facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles? MULTIPLE RECORD

ROTATE -- START AT "X"	New York	Boston	Chicago	Wash-ington, D.C.	At-lanta	St. Louis	Miami	Hou-ston	Dallas	Seattle	S.F.	L.A.	Other (SPECIFY):	Not Sure
( ) 1. The cost and availability of labor in the area.	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________((___-1	___-2
( ) 2. The quality of life for employees, such as the availability of housing, transportation, and recreational facilities.	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________((___-1	___-2
( ) 3. Proximity to markets, customers, or clients........	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________((___-1	___-2
( ) 4. Proximity to raw materials..........	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________((___-1	___-2
( ) 5. The climate state and local government creates for business through tax policy, the extent of regulation, and so forth	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________((___-1	___-2
( ) 6. The availability of existing fully-serviced sites....	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________((___-1	___-2

ASK EVERYONE

5. In making a real estate decision, do you usually take into consideration the investment potential of a piece of property, or are you primarily concerned with operational factors?

Investment potential...........((____-1
Operational factors...............____-2
Both (vol.)........................____-3
Depends (vol.)....................____-4
Not sure..........................____-5

6a. Thinking about all of your office operations in the United States, in the next twelve months do you plan to (READ EACH ITEM), or not?

DO NOT ROTATE LIST	Plan	Don't Plan	Not Sure
1. Lease new space........................	((____-1	____-2	____-3
2. Purchase new space.....................	((____-1	____-2	____-3
3. Build new space........................	((____-1	____-2	____-3
4. Acquire space and renovate it for a new purpose........................	((____-1	____-2	____-3

6b. And, if you had to say, which do you prefer for office space -- leasing or owning?

Leasing.......((____-1
Owning............____-2
Depends (vol.)....____-3
Not sure..........____-4

ASK Q.7a IF WHOLESALE, RETAIL OR MANUFACTURING COMPANY ON FACE SHEET -- SKIP OTHERS TO Q.8

7a. Thinking about all of your manufacturing, warehouse, or distribution operations in the United States, in the next twelve months do you plan to (READ EACH ITEM), or not?

DO NOT ROTATE LIST	Plan	Don't Plan	Not Sure
( ) 1. Lease new space................	((_____-1	____-2	____-3
( ) 2. Purchase new space.............	((_____-1	____-2	____-3
( ) 3. Build new space................	((_____-1	____-2	____-3
( ) 4. Acquire space and renovate it for a new purpose..............	((_____-1	____-2	____-3

7b. And, if you had to say, which do you prefer for manufacturing, warehouse, or distribution space -- leasing or owning?

Leasing..........((_____-1
Owning................____-2
Depends (vol.).........____-3
Not sure..............____-4

ASK EVERYONE

8. How important a factor is/are (READ EACH ITEM) in your decisionmaking on acquiring new space for the company -- is this crucial, important but not crucial, not very important, or not at all important? Remember, we're talking about the space your company uses in its day-to-day operations, not real estate acquired for investment purposes.

ROTATE -- START AT "X"	Crucial	Important but Not Crucial	Not Very Important	Not at All Important	Not Sure
( ) 1. The rate of inflation..........	((____-1	____-2	____-3	____-4	____-5
( ) 2. Interest rates................	((____-1	____-2	____-3	____-4	____-5
( ) 3. The value of the dollar........	((____-1	____-2	____-3	____-4	____-5
( ) 4. National tax policy...........	((____-1	____-2	____-3	____-4	____-5
( ) 5. Federal government regulation..	((____-1	____-2	____-3	____-4	____-5
( ) 6. Your company's outlook for profits or losses..............	((____-1	____-2	____-3	____-4	____-5
( ) 7. The market for your company's products or services...........	((____-1	____-2	____-3	____-4	____-5

9. In the next twelve months, do you think the expansion of your company's electronic data processing and data retrieval capabilities will increase your space needs a great deal, increase them somewhat, not change them one way or the other, reduce them somewhat, or reduce your space needs a great deal?

Increase a great deal...............((____-1
Increase somewhat.........................____-2
Not change one way or the other..........____-3
Reduce somewhat...........................____-4
Reduce a great deal.......................____-5
Don't expect data processing capabilities to expand (vol.).......................____-6
Not sure..................................____-7

10a. Over the next twelve months, do you expect the number of office employees working for your company overall to increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal?

Increase a great deal.......((____-1
Increase somewhat................____-2
Stay the same...................____-3
Decrease somewhat................____-4
Decrease a great deal............____-5
Not sure.........................____-6

ASK Q.10b IF WHOLESALE, RETAIL, OR MANUFACTURING COMPANY ON FACE SHEET --
SKIP OTHERS TO Q.12

10b. Over the next twelve months, do you expect the number of manufacturing, warehouse, and distribution employees working for your company overall to increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal?

Increase a great deal.......((____-1
Increase somewhat................____-2
Stay the same...................____-3
Decrease somewhat................____-4
Decrease a great deal............____-5
Not sure.........................____-6

11. And what about the level of inventory maintained by your company overall -- do you expect that this will increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal in the next twelve months?

Increase a great deal.......((____-1
Increase somewhat................____-2
Stay the same...................____-3
Decrease somewhat................____-4
Decrease a great deal............____-5
Not sure.........................____-6

ASK EVERYONE

12. Over the next twelve months, do you expect your company's capital expenditures to increase a great deal, increase somewhat, stay the same as they've been this year, decrease somewhat, or decrease a great deal?

Increase a great deal.......((____-1
Increase somewhat................____-2
Stay the same...................____-3
Decrease somewhat................____-4
Decrease a great deal............____-5
Not sure.........................____-6

That concludes the interview. Thank you very much for your participation!

TIME ENDED:__________A.M./P.M.

LOUIS HARRIS AND ASSOCIATES, INC.
630 Fifth Avenue
New York, New York 10111

/ FOR OFFICE USE ONLY:
/
/ Questionnaire No.:__________
/
/______________________ 5-6-7-8___

Study No. 861023 (Real Estate Executives)

September 26, 1986

Sample Point No./ / / / / / / /

Time Started:________A.M./P.M.

Interviewer:________________________________ I.D. No.:______ Date:______________

Respondent's Name: ____

Respondent's Title: ____

Name of Corporation: ____

Address: ____

Area Code: ______________Telephone No.: ______________________________

SWITCHBOARD INTRODUCTION:

Hello, I'm _________ calling from Louis Harris and Associates, the national opinion research organization. I'd like to speak with Mr./Ms. ____________________, please.

RESPONDENT INTRODUCTION:

Hello, I'm _________________calling from Louis Harris and Associates, the national opinion research organization. As you know from Mr. Harris's letter, we're conducting a survey called the Business Real Estate Monitor, which will track the opinions of high-level executives like yourself on issues having to do with corporate real estate decision-making. Of course neither your name nor the name of your organization will be revealed to the public or even to the survey sponsor. All results will be reported in aggregate statistical form only. Your participation will go a long way towards making the survey a success. We'll be happy to send you a short summary of the results after the survey is completed.

INTERVIEWER: RECORD FROM SAMPLE CARD:

REVENUE SIZE: $ / / / / , / / / / , / / / / ,000
(-)

SIC: / / / / /
(-)

A. Is your organization involved in wholesale, retail, or manufacturing operations, or not?

Involved in wholesale/retail/manufacturing....((____-1
Not involved in wholesale/retail/manufacturing....____-2

1a. To begin with I'd like to discuss some of the factors corporations may consider when deciding where to locate their facilities. In thinking about locations for office facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

ROTATE -- START AT "X"	Absolutely Essential	Important but Not Essential	Not Very Important	Not at all Important	Not Sure
( ) 1. The cost and availability of labor in the area................	(_(___-1	___-2	___-3	___-4	___-5
( ) 2. The quality of life for employees, such as the availability of housing, transportation, and recreational facilities..........	(_(___-1	___-2	___-3	___-4	___-5
( ) 3. Proximity to markets, customers, or clients.......................	(_(___-1	___-2	___-3	___-4	___-5

ASK Q.1b IF WHOLESALE, RETAIL, OR MANUFACTURING COMPANY ON FACE SHEET -- SKIP OTHERS TO Q.2a.

1b. And, in thinking about locations for manufacturing, warehouse, or distribution facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

ROTATE -- START AT "X"	Absolutely Essential	Important but Not Essential	Not Very Important	Not at all Important	Not Sure
( ) 1. The cost and availability of labor in the area................	(_(___-1	___-2	___-3	___-4	___-5
( ) 2. The quality of life for employees, such as the availability of housing, transportation, and recreational facilities..........	(_(___-1	___-2	___-3	___-4	___-5
( ) 3. Proximity to markets, customers, or clients.......................	(_(___-1	___-2	___-3	___-4	___-5
( ) 4. Proximity to raw materials........	(_(___-1	___-2	___-3	___-4	___-5
( ) 5. The climate state and local government creates for business through tax policy, the extent of regulation, and so forth...............	(_(___-1	___-2	___-3	___-4	___-5
( ) 6. The availability of existing fully-serviced sites.............	(_(___-1	___-2	___-3	___-4	___-5

ASK EVERYONE -- ASK Q.2a-Q.2b IN SEQUENCE FOR EACH ITEM

2a. Now I'd like to ask you about the attractiveness of several specific locations across the country. In terms of general business conditions as they relate to companies such as yours, how would you rate the (READ EACH ITEM) area as a place to locate a business today — excellent, very good, only fair, or poor? RECORD BELOW

2b. And if you had to say, do you think general business conditions there will get better, get worse, or stay abut the same in the next twelve months? RECORD BELOW

	Q.2a					Q.2b			
ROTATE -- START AT "X"	Excellent	Very Good	Only Fair	Poor	Not Sure	Better	Worse	Same	Not Sure
( ) 1. New York...........	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 2. Boston.............	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 3. Chicago............	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 4. Washington, D.C.....	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 5. Atlanta............	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 6. St. Louis..........	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 7. Miami...	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 8. Houston............	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 9. Dallas.............	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 10. Seattle............	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 11. San Francisco.......	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4
( ) 12. Los Angeles.........	((___-1	___-2	___-3	___-4	___-5	((___-1	___-2	___-3	___-4

ASK Q.3a FOR EACH ITEM "ABSOLUTELY ESSENTIAL" OR "IMPORTANT" IN Q.1a

3a. I'd like you to continue to keep in mind the twelve specific locations we've been talking about -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, and Los Angeles. Now I'm going to read you a few of the factors for locating office facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for office facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles? MULTIPLE RECORD

ROTATE -- START AT "X"	New York	Boston	Chicago	Washington, D.C.	Atlanta	St. Louis	Miami	Houston	Dallas	Seattle	S.F.	L.A.	Other (SPECIFY):	Not Sure
( ) 1. The cost and availability of labor in the area.	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________ ((___-1	___-2
( ) 2. The quality of life for employees, such as the availability of housing, transportation, and recreational facilities........	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________ ((___-1	___-2
( ) 3. Proximity to markets, customers, or clients........	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________ ((___-1	___-2

ASK Q.3b FOR EACH ITEM "ABSOLUTELY ESSENTIAL" OR "IMPORTANT" IN Q.1b

ASK Q.3b IF WHOLESALE, RETAIL, OR MANUFACTURING COMPANY ON FACE SHEET -- SKIP OTHERS TO Q.4a

3b. Now I'm going to read you a few of the factors for locating manufacturing, warehouse, or distribution facilities we were discussing earlier. Please tell me which two or three of the locations you feel are best on each factor for these kinds of facilities. I'll be glad to reread the list of locations any time you need me to. Which two or three specific locations are most appealing in terms of (READ ITEM) -- New York, Boston, Chicago, Washington, D.C., Atlanta, St. Louis, Miami, Houston, Dallas, Seattle, San Francisco, or Los Angeles? MULTIPLE RECORD

ROTATE -- START AT "X"	New York	Boston	Chicago	Washington, D.C.	Atlanta	St. Louis	Miami	Houston	Dallas	Seattle	S.F.	L.A.	Other (SPECIFY):	Not Sure
( ) 1. The cost and availability of labor in the area.	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________ ((___-1	___-2
( ) 2. The quality of life for employees, such as the availability of housing, transportation, and recreational facilities........	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________ ((___-1	___-2
( ) 3. Proximity to markets, customers, or clients........	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________ ((___-1	___-2
( ) 4. Proximity to raw materials.........	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________ ((___-1	___-2
( ) 5. The climate state and local government creates for business through tax policy, the extent of regulation, and so forth	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________ ((___-1	___-2
( ) 6. The availability of existing fully-serviced sites....	((___-1	___-2	___-3	___-4	___-5	___-6	___-7	___-8	___-9	___-0	___-x	___-y	______________ ((___-1	___-2

ASK EVERYONE

4. In making a real estate decision, do you usually take into consideration the investment potential of a piece of property, or are you primarily concerned with operational factors?

Investment potential.....((____-1
Operational factors..........____-2
Both (vol.)..................____-3
Depends......................____-4
Not sure.....................____-5

5a. Thinking about all of your office operations in the United States, in the next twelve months do you plan to (READ EACH ITEM), or not?

DO NOT ROTATE LIST	Plan	Don't Plan	Not Sure
( ) 1. Lease new space........................	((____-1	____-2	____-3
( ) 2. Purchase new space.....................	((____-1	____-2	____-3
( ) 3. Build new space........................	((____-1	____-2	____-3
( ) 4. Acquire space and renovate it for a new purpose...........................	((____-1	____-2	____-3

ASK Q.5b IF "PLAN" FOR ANY ITEM IN Q.5a -- SKIP OTHERS TO Q.5f.

5b. What sort of office facilities are you planning to create in the new space? (READ IF NECESSARY:) For example, a head office, a branch office, a back-office facility or processing center, or a sales office? MULTIPLE RECORD BELOW

ASK Q.5c IF MORE THAN ONE RESPONSE TO Q.5b -- SKIP OTHERS TO Q.5d

5c. And which of those types of office facilities will receive the largest square footage of new space in the next twelve months? SINGLE RECORD BELOW

	Q.5b	Q.5c
Head office..................	((____-1	((____-1
Branch office..................	____-2	____-2
Back-office/processing..........	____-3	____-3
Sales office....................	____-4	____-4
Other (SPECIFY):		
______________________________.	____-5	____-5
Not sure........................	____-6	____-6

ASK EVERYONE

5d. In which cities or areas are you planning to acquire office space in the next twelve months? DO NOT READ LIST -- MULTIPLE RECORD

Allentown/Bethlehem/Lehigh Valley (PA)	((____-1
Atlanta and suburbs (GA)	____-2
Austin (TX)	____-3
Baltimore (MD)	____-4
Boston/Lawrence/Salem (MA)	____-5
Buffalo/Niagara Falls (NY)	____-6
Charlotte (NC)	____-7
Chicago/Gary/Lake County/suburbs (IL/IN/WI)	____-8
Cincinnati/Hamilton (OH/KY/IN)	____-9
Cleveland/Akron/Lorain (OH)	____-0
Columbus (OH)	((____-1
Dallas/Ft. Worth (TX)	____-2
Denver/Boulder (CO)	____-3
Detroit/Ann Arbor/Southfield (MI)	____-4
Greensboro/Winston-Salem (NC)	____-5
Hartford/New Haven (CT)	____-6
Houston/Galveston/Brazoria (TX)	____-7
Indianapolis (IN)	____-8
Jacksonville (FL)	____-9
Kansas City (MO/KS)	____-0
Los Angeles/Anaheim/Riverside/San Fernando/ Orange County/Newport Beach (CA)	((____-1
Louisville (KY)	____-2
Memphis (TN)	____-3
Miami/Ft. Lauderdale/Boca Raton (FL)	____-4
Milwaukee/Racine (WI)	____-5
Minneapolis/St. Paul (MN)	____-6
Nashville (TN)	____-7
New Orleans (LA)	____-8
New York City	
New York City (NY)	____-9
Westchester County (NY)	____-0
Long Island (NY)	((____-1
Northern New Jersey/Parsippany/Lyndhurst (NJ)	____-2
Southern Connecticut/Stamford (CT)	____-3
Orlando, (FL)	____-4
Philadelphia	
Philadelphia (PA)	____-5
South Jersey (NJ)	____-6
Phoenix (AZ)	____-7
Pittsburgh/Beaver Valley (PA)	____-8
Portland/Vancouver (OR/WA)	____-9
Princeton (NJ)	____-0
Raleigh/Durham (NC)	((____-1
St. Louis/East St. Louis/Alton (MO/IL)	____-2
San Antonio (TX)	____-3
San Diego (CA)	____-4
San Francisco/Oakland/San Jose/ San Mateo County/ Contra Costa County (CA)	____-5
Seattle/Tacoma/Bellevue (WA)	____-6
Tampa/St. Petersburg (FL)	____-7
Washington D. C. and suburbs (DC)	____-8
Other (SPECIFY):	
______________________________	____-9
Not sure	____-0

5e. Thinking about the locations where you plan to acquire office space in the next twelve months, during that time do you expect the cost per square foot of real estate in those places to rise a great deal, rise somewhat, stay about the same, go down somewhat, or go down a great deal?

Rise a great deal....(__(____-1
Rise somewhat...........____-2
Stay about the same......____-3
Go down somewhat.........____-4
Go down a great deal.....____-5
Not sure.................____-6

5f. All in all, if you had to say, which do you prefer for office space -- leasing or owning?

Leasing.......(__(____-1
Owning...........____-2
Depends (vol.)....____-3
Not sure..........____-4

ASK Q. 6a IF WHOLESALE, RETAIL, MANUFACTURING COMPANY ON FACE SHEET -- SKIP OTHERS TO Q.7.

6a. Thinking about all of your manufacturing, warehouse, or distribution operations in the United States, in the next twelve months do you plan to (READ EACH ITEM), or not?

DO NOT ROTATE LIST		Plan	Don't Plan	Not Sure
( ) 1.	Lease new space........................	(__(____-1	____-2	____-3
( ) 2.	Purchase new space.....................	(__(____-1	____-2	____-3
( ) 3.	Build new space........................	(__(____-1	____-2	____-3
( ) 4.	Acquire space and renovate it for a new purpose............................	(__(____-1	____-2	____-3

ASK Q.6b IF "PLAN" FOR ANY ITEM IN Q.6a -- SKIP OTHERS TO Q.6f.

6b. What sort of manufacturing, warehouse, or distribution facilities are you planning to create in the new space? (READ IF NECESSARY:) For example, an assembly plant, a processing plant, an extraction plant, a warehouse, or a distribution center?
MULTIPLE RECORD BELOW

ASK Q.6c IF MORE THAN ONE RESPONSE TO Q.6b -- SKIP OTHERS TO Q.6d

6c. And which of those types of manufacturing, warehouse, or distribution facilities will receive the largest square footage of new space in the next twelve months?
SINGLE RECORD BELOW

	Q.6b	Q.6c
Assembly plant................	(__(____-1	(__(____-1
Processing plant..............	____-2	____-2
Extraction plant..............	____-3	____-3
Warehouse.....................	____-5	____-5
Distribution Center...........	____-4	____-4
Other (SPECIFY):		
______________________________..	____-6	____-6
Not sure......................	____-7	____-7

6d. In which cities or areas are you planning to acquire manufacturing, warehouse, or distribution space in the next twelve months? DO NOT READ LIST -- MULTIPLE RECORD

- Allentown/Bethlehem/Lehigh Valley (PA)................((____-1
- Atlanta and suburbs (GA)....................____-2
- Austin (TX)....................____-3
- Baltimore (MD)....................____-4
- Boston/Lawrence/Salem (MA)....................____-5
- Buffalo/Niagara Falls (NY)....................____-6
- Charlotte (NC)....................____-7
- Chicago/Gary/Lake County/suburbs (IL/IN/WI)....................____-8
- Cincinnati/Hamilton (OH/KY/IN)....................____-9
- Cleveland/Akron/Lorain (OH)....................____-0
- Columbus (OH)................((____-1
- Dallas/Ft. Worth (TX)....................____-2
- Denver/Boulder (CO)....................____-3
- Detroit/Ann Arbor/Southfield (MI)....................____-4
- Greensboro/Winston-Salem (NC)....................____-5
- Hartford/New Haven (CT)....................____-6
- Houston/Galveston/Brazoria (TX)....................____-7
- Indianapolis (IN)....................____-8
- Jacksonville (FL)....................____-9
- Kansas City (MO/KS)....................____-0
- Los Angeles/Anaheim/Riverside/San Fernando/ Orange County/Newport Beach (CA)................((____-1
- Louisville (KY)....................____-2
- Memphis (TN)....................____-3
- Miami/Ft. Lauderdale/Boca Raton (FL)....................____-4
- Milwaukee/Racine (WI)....................____-5
- Minneapolis/St. Paul (MN)....................____-6
- Nashville (TN)....................____-7
- New Orleans (LA)....................____-8
- New York City
  - New York City (NY)....................____-9
  - Westchester County (NY)....................____-0
  - Long Island (NY)................((____-1
  - Northern New Jersey/Parsippany/Lyndhurst (NJ)....................____-2
  - Southern Connecticut/Stamford (CT)....................____-3
- Orlando, (FL)....................____-4
- Philadelphia
  - Philadelphia (PA)....................____-5
  - South Jersey (NJ)....................____-6
- Phoenix (AZ)....................____-7
- Pittsburgh/Beaver Valley (PA)....................____-8
- Portland/Vancouver (OR/WA)....................____-9
- Princeton (NJ)....................____-0
- Raleigh/Durham (NC)................((____-1
- St. Louis/East St. Louis/Alton (MO/IL)....................____-2
- San Antonio (TX)....................____-3
- San Diego (CA)....................____-4
- San Francisco/Oakland/San Jose/ San Mateo County/ Contra Costa County (CA)....................____-5
- Seattle/Tacoma/Bellevue (WA)....................____-6
- Tampa/St. Petersburg (FL)....................____-7
- Washington D. C. and suburbs (DC)....................____-8
- Other (SPECIFY):

  ______________________________...____-9
- Not sure....................____-0

6e. Thinking about the locations where you plan to acquire manufacturing, warehouse, or distribution space in the next twelve months, during that time do you expect the cost per square foot of real estate in those places to rise a great deal, rise somewhat, stay about the same, go down somewhat, or go down a great deal?

Rise a great deal....((____-1
Rise somewhat...........____-2
Stay about the same......____-3
Go down somewhat.........____-4
Go down a great deal.....____-5
Not sure.................____-6

6f. All in all, if you had to say, which do you prefer for manufacturing, warehouse, or distribution space -- leasing or owning?

Leasing...........((____-1
Owning.................____-2
Depends (vol.).........____-3
Not sure.............. ____-4

ASK EVERYONE

7. In the next twelve months, do you think the expansion of your company's electronic data processing and data retrieval capabilities will increase your space needs a great deal, increase them somewhat, not change them one way or the other, reduce them somewhat, or reduce your space needs a great deal?

Increase a great deal.......................((____-1
Increase somewhat...........................____-2
Not change one way or the other.................____-3
Reduce somewhat.................................____-4
Reduce a great deal.............................____-5
Don't expect DP capabilities to expand (vol.)....____-6
Not sure..____-7

8a. In twelve months, do you expect your company's total square footage of office space in the U.S. to be much greater than it is today, somewhat greater, about the same, somewhat less, or much less than it is today?

Much greater.........((____-1
Somewhat greater.........____-2
About the same...........____-3
Somewhat less............____-4
Much less................____-5
Not sure.................____-6

ASK Q.8b IF WHOLESALE, RETAIL, OR MANUFACTURING COMPANY ON FACE SHEET -- SKIP OTHERS TO Q.9.

8b. In twelve months, do you expect your company's total square footage of manufacturing, warehouse, and distribution space in the U.S. to be much greater than it is today, somewhat greater, about the same, somewhat less, or much less than it is today?

Much greater.........((____-1
Somewhat greater.........____-2
About the same...........____-3
Somewhat less............____-4
Much less................____-5
Not sure.................____-6

ASK EVERYONE

9a. Over the next twelve months, do you expect the number of office employees working for your company overall to increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal?

Increase a great deal.......((____-1
Increase somewhat...............____-2
Stay the same...................____-3
Decrease somewhat...............____-4
Decrease a great deal...........____-5
Not sure........................____-6

ASK Q.9b IF WHOLESALE, RETAIL, OR MANUFACTURING COMPANY ON FACE SHEET --
SKIP OTHERS TO Q.11

9b. Over the next twelve months, do you expect the number of manufacturing, warehouse, and distribution employees working for your company overall to increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal?

Increase a great deal.......((____-1
Increase somewhat...............____-2
Stay the same...................____-3
Decrease somewhat...............____-4
Decrease a great deal...........____-5
Not sure........................____-6

10. And what about the level of inventory maintained by your company overall -- do you expect that this will increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal in the next twelve months?

Increase a great deal.......((____-1
Increase somewhat...............____-2
Stay the same...................____-3
Decrease somewhat...............____-4
Decrease a great deal...........____-5
Not sure........................____-6

ASK EVERYONE

11. Over the next twelve months, do you expect your company's capital expenditures to increase a great deal, increase somewhat, stay the same as they've been this year, decrease somewhat, or decrease a great deal?

Increase a great deal.......(__(____-1
Increase somewhat...............____-2
Stay the same...................____-3
Decrease somewhat...............____-4
Decrease a great deal...........____-5
Not sure........................____-6

12. Twelve months from now, do you expect that long-term interest rates will be much higher, somewhat higher, about the same, somewhat lower, or much lower than they are today?

Much higher............(__(____-1
Somewhat higher...........____-2
About the same............____-3
Somewhat lower............____-4
Much lower................____-5
Not sure..................____-6

13. I'd like to ask you one final question of a more general nature. Thinking about your company's overall strategic planning, how much of a role do decisions about the location and type of the company's physical facilities play -- does top management as a whole consider these issues very important, somewhat important, not very important, or not at all important?

Very important........(__(____-1
Somewhat important........____-2
Not very important........____-3
Not at all important......____-4
Not sure..................____-5

That concludes the interview. Thank you very much for your participation!

TIME ENDED:__________A.M./P.M.

Offices

Headquarters

1166 Avenue of the Americas
New York, New York 10036

California

- *Contra Costa County*
- *Los Angeles*
- *Los Angeles North (San Fernando/Ventura County)*
- *Los Angeles South Bay*
- *Los Angeles West*
- *Newport Beach/Irvine*
- *Oakland*
- *Ontario*
- *Orange*
- *San Francisco*
- *San Francisco Peninsula (San Mateo County)*
- *San Jose*

Colorado

- *Denver*

Connecticut

- *Hartford*
- *New Haven*
- *Stamford*

District of Columbia

- *Washington*
- *Washington (Suburban)*

Florida

- *Boca Raton*
- *Jacksonville*
- *Miami*
- *Orlando*
- *St. Petersburg*
- *Tampa Bay*
- *West Palm Beach*

Georgia

- *Atlanta*
- *Atlanta (Suburban)*

Illinois

- *Chicago*
- *Chicago (Suburban)*

Kentucky

- *Louisville*

Massachusetts

- *Boston*

Michigan

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- *Lehigh Valley*
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- *Austin*
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- *Houston*
- *San Antonio*

Virginia

- *Northern Virginia*

Washington

- *Bellevue*
- *Seattle*

CUSHMAN & WAKEFIELD.
A ROCKEFELLER GROUP COMPANY

Business America's Real Estate Firm

ID-YEAR 1987

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5/27/87

BUSINESS AMERICA REAL ESTATE MONITOR

Conducted for
Cushman & Wakefield, Inc.
by
Louis Harris and Associates, Inc.

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

Business America's Real Estate Firm

Cushman & Wakefield, Inc.
1166 Avenue of the Americas, New York, NY 10036
(212) 841-7800

CUSHMAN & WAKEFIELD®

Arthur J. Mirante, II
President, Chief Executive Officer

We are pleased to present you with the second Cushman & Wakefield Business America Real Estate Monitor. The Monitor is unique among real estate studies because it tracks the perceptions of America's business leaders. And while businesses rely on the most sophisticated tracking devices to gather the latest objective data, ultimately all decisions are personal.

Cushman & Wakefield asked Louis Harris and Associates to question the chief executives of Business America about their attitudes, opinions and plans about different U.S. cities, the real estate market, their firms' use of real estate, the outlook for their industry and their company, and the economy in general.

With this survey, we have expanded the list of cities to 30, from the initial 12. From this larger field, we are able to broaden our coverage of the major American business centers. In addition, we have probed the importance of quality-of-life in locating business, and also differences among urban, suburban and rural locations.

Your comments are welcome.

May 1987

Study No. 871010

THE CUSHMAN & WAKEFIELD
BUSINESS AMERICA REAL ESTATE MONITOR

The Second Survey

Interviewing: April 1987

Conducted for Cushman & Wakefield

Project Directors:

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ABOUT THIS MONITOR

The Cushman & Wakefield Business America Real Estate Monitor is back, bigger and better than before. The Monitor is conducted for Cushman & Wakefield by Louis Harris and Asssociates, the opinion research company.

The Monitor first made the news five months ago, and the heart of that survey was a competitive image test of twelve locations selected to provide a balanced array of business and real estate climates across the country. But with only twelve locations represented, it was only natural that boosters of areas that didn't make it onto the list felt left out. The phone rang incessantly, and editorials in hometown papers registered indignation.

So when it came time to do the next Monitor, we went back to the drawing board. The Monitor survey reported here is based on interviews conducted with 403 chief executive officers in America's largest corporation -- this time with a minimum of $250 million in revenues. We decided to interview these executives in-person, in their offices, rather than speak to them on the telephone. This allowed us to extend the interview from an average of 15 minutes in length over the phone to an average of 30 minutes. And the extra time permitted us to test in detail a list of the thirty largest locations in the U.S. by population size.

As in the first study conducted in October, the Monitor is designed to track:

- o Executives' views on which areas offer the best business conditions today and which are expected to get better;

o Actual location and space acquisition plans for the next twelve months;

o Factors impacting the price of real estate;

o CEO's expectations for the economy, their industry, and their company.

Interviews were conducted from April 8 through May 1, 1987.

Percentages in the tables included in this report may not always add to 100% because of rounding or the acceptance of multiple responses. An asterisk (*) indicates a result of less than 0.5%. Rankings are based on the "top-of-scale" (such as "excellent") responses. For questions using a four-point scale, ties in the "top-of-scale" responses are resolved first by ranking on the higher of second scale responses, and then, if necessary, by the lower of the combined responses in the third and fourth scale responses.

HIGHLIGHTS FROM THE FINDINGS

o Atlanta Wins Hands Down as a Place to Locate a Business Today

The Cushman & Wakefield Business America Real Estate Monitor once again singles out the Atlanta area -- this time from a list of the thirty largest U.S. locations by population size:

-- The Atlanta area ranks third in familiarity on the list of the thirty top locations, just below New York and Los Angeles and ahead of Chicago, Dallas-Fort Worth, and Washington, D.C.

-- 33% of CEOs familiar with the Atlanta area rate it "excellent" as a place to do business today. With this score Atlanta rises far above the other twenty-nine locations to first place, 14 percentage points above the runner-up location, San Diego, and 21 points above average.

-- The Atlanta area leads or ties for first place on eight out of twelve specific location criteria tested. It garners higher-than-average "excellent" ratings on all criteria, but does particularly well relative to the thirty-location average on "quality of life for employees," "ease of access to domestic markets, customers, or clients," and "the climate state and local government creates for business through tax policy and the extent of regulation."

o New York Leads the List for Space Acquisition in the Next Year: Los Angeles Follows

Although the New York area ranks seventh as an "excellent" place to locate a business today and ranks in the double digits, well down the list, on seven of the twelve location criteria tested, it tops the roster on familiarity and leads as a location where organizations actually intend to acquire space in the next year:

-- CEOs reporting that their organizations plan to acquire office space in the next twelve months name the New York City area above all as the location where they intend to do so. Los Angeles is mentioned next most often.

-- New York and Los Angeles share the lead as areas in which wholesale, retail, and manufacturing companies plan to acquire industrial, warehouse, and distribution space in the next year.

o The Lure of the Suburbs

-- The suburbs are seen as tops on having good public schools, good recreational facilities, and a good social climate. They are seen as better than the cities on crime, taxes, and affordable housing but as having a more adequate system of streets and highways than rural areas.

-- The Monitor findings suggest that the city-suburb location mix for office space to be acquired over the next five years may be more suburban than the mix of office facility locations today.

o CEOs Are Somewhat Bearish On The Economy, But Remain Optimistic About Their Own Industries and Companies

As an inflationary trend becomes apparent in the economy overall, CEOs take a cautious but positive view of the effect this will have on their own industries and companies:

-- A 70% majority of CEOs expect the rate of inflation to be higher in twelve months than it is now, with 28% predicting it will stay the same and virtually no one thinking it will be lower.

-- A 73% majority predict a rise in long-term interest rates, with 23% saying interest rates will stay about the same and almost no one saying they'll be lower.

-- Notwithstanding this sobering forecast, however, by a majority of 51-45% Business America predicts wage rates in their industry will stay the same rather than rise over the next year.

-- Further on this note, CEOs remain fairly confident, if not entirely so, that they'll have the flexibility to keep their prices up with inflation; 45% predict prices in their industry will be higher in the next year while 45% think they'll be about the same as they are now.

-- A 51% majority see market conditions in their industry staying the the same, and 33% even see conditions improving.

-- By 47-39% capital expenditures for companies are expected to rise, with 11% predicting a decrease.

-- By 42-37%, however, CEOs expect the number of office employees in their organizations to stay the same rather than increase in the next year; 19% predict a decrease. By an even wider 42-28% margin, top executives of organizations involved in wholesale, retail, or manufacturing operations predict the number of manufacturing, warehouse, and distribution employees will stay the same rather than increase, with 19% saying this number will decrease.

-- 50% of CEOs report their organization plans to lease, build, renovate, or purchase office space in the next twelve months, while 44% plan to terminate a lease or sell an office facility. Among those involved in wholesale, retail, or manufacturing operations, 41% plan to acquire manufacturing, warehouse, or distribution space, and 37% to terminate a lease or sell a facility.

1. BUSINESS AMERICA'S VIEW OF THE BEST LOCATIONS TODAY

Familiarity With The Thirty Biggest Locations in the U.S.

The New York City area tops the list when CEOs across America are asked how familiar they are with each of the thirty biggest locations in the nation. Fifty-four percent report they're "very familiar" with the New York area as a business location, and 50% with the Los Angeles area. A slightly lower 45% say they're "very familiar" with the Atlanta area, and a similar 44% say they're "very familiar" with the Chicago area. (Table 1-1). Further down the list, 41% claim a high degree of familiarity with the Dallas-Fort Worth area, 41% with the D.C. area, 39% with the San Francisco area, and 38% with the Boston area. Norfolk places at the bottom, with only 12% "very familiar."

Curiously, while Philadelphia is the fifth-largest area by population, it ranks only eleventh on familiarity, with 28% "very familiar." Atlanta, on the other hand, is thirteenth on the list by population but ranks third on familiarity, with 45% "very familiar."

The Best Places To Locate a Business Today

The Atlanta area won hands down when the Cushman & Wakefield Monitor took its first sounding in October 1986, and it wins hands down again as a place to locate a business today. For this second Monitor, CEOs claiming to be familiar with each of the thirty areas tested were asked to rate the area as a general business location on a scale of "excellent," "very good," "only fair," or "poor." A look at the "excellent" ratings shows the Atlanta area running well ahead of the pack, with 33% of those familiar with it giving the highest rating (Table 1-2). San Diego, Tampa, and Los Angeles follow distantly with ratings of 19% each. Detroit takes the bottom of the list with 3% of those familiar with it offering "excellent" marks.

Locations Where Business Conditions Will Improve

Dallas-Fort Worth and Houston, both areas that receive only middling or even low "excellent" marks as places to business today, rise to the top of the list of locations where business conditions are expected to improve in the next twelve months. Of those familiar with each location, 29% say conditions will get better in the Dallas-Fort Worth area and the same percentage say things will get better for the Houston area (Table 1-3). Following next are San Diego, at 27%, Denver, at 26%, Atlanta, at 22%, and Tampa, at 22%. Philadelphia and Detroit are voted least likely to improve, with 7% and 8%, respectively, of those familiar with each of these locations saying conditions will get better.

> Observation:
>
> As reported also in the last Monitor, Atlanta is head-and-shoulders above other areas as a place to locate a business. And again, according to CEOs of top corporations across America, Houston and Dallas do indeed have a future, although a handful of CEOs do expect them to get worse in the next year.

How Business America Decides Where To Locate

To set the stage for more detailed evaluations of the thirty areas tested in the Monitor, CEOs were asked to rate the importance of twelve factors in decisions to locate facilities. Five of these factors, pertaining to office facilities, were considered by all CEOs interviewed. Seven other factors relating specifically to manufacturing, warehouse, and distribution facilities were asked only of the 51% of CEOs who report their organizations are involved in wholesale, retail, or manufacturing operations.

"Easy access to domestic markets, customers, or clients" far and away dominates the list of office location factors, with 37% of all CEOs deeming it "absolutely essential" (Table 1-4). "The cost and availability of labor in the area" comes next with 23% saying it's "absolutely essential," followed by "the climate state and local government creates for business," 21%, "the quality of life for employees," 18%, and only then "easy access to international markets, customers, or clients," 9%. Those whose organizations are headquartered in the South are far likelier than others to see access to domestic markets as essential (Table 1-5).

Executives in organizations involved in wholesale, retail, or manufacturing operations above all value "the availability of sites with existing electricity, water, sewage, and roads," with 40% deeming this "absolutely essential" (Table 1-6). Next come "access to domestic markets," at 36%, and "the cost and availability of labor," at 34%. "Easy access to raw materials" is "absolutely essential" to a lower 25%, and "the climate created by government" to 24%. "The quality of life for employees" is deemed essential by only 8% and "access to international markets" to 7%.

Observation:

It's interesting to look at what is not essential to CEOs when they decide on locations for both office and manufacturing, warehouse, and distribution facilities. The quality of life for employees is not considered an essential ingredient -- even less so for industrial employees than for office workers. And at the very bottom of each list is access to international markets, with majorities saying this is "not very" or "not at all important." It's noteworthy that Business America is even less interested in facilitating exports of goods and services than it is in the quality of life for its employees, itself a definite nonpriority. Indeed, other Monitor findings show that only 20% of American corporations with $250 million in annual revenues report that 15% or more of their worldwide sales are made offshore; 36% report no sales outside the U.S.

Quality of Life in Detail

Although only 18% consider quality of life for employees to be an "essential" factor in deciding on office locations, as many as 74% feel it's at least "important." Among this group, good public schools, enough streets and highways, affordably-priced housing, and a low crime rate stand out as "absolutely essential" components of quality of life (Table 1-7). Good recreational and cultural facilities are least likely to be considered essential. The suburbs are decidely seen as best on public schools and about the same as cities on streets and highways, while rural areas are not rated well on those items. Rural areas are seen as about the same as the suburbs on affordable housing and decidedly better on crime, with cities striking out on these items.

In all, 66% of those whose organizations are involved in wholesale, retail, or manufacturing operations feel the quality of life for industrial employees is at least "important." Among that group, streets and highways, affordably-priced housing, and taxes that aren't burdensome stand out as the most essential features that constitute quality of life for employees in manufacturing, warehouse, and distribution facilities (Table 1-8). For these employees, cities and suburbs are seen as about equal on streets and highways, with rural areas rated poorly, while rural areas are seen as best for housing and taxes.

Observation:

Not only is quality of life in general seen as more important for office employees than for manufacturing, warehouse, and distribution employees, but specifically a low crime rate and good public schools are seen as more important for office employees as well. The Monitor notes the finding with interest, but deeper exploration of Business America's mindset on this issue is beyond the scope of the study.

Ratings of Locations on Specific Factors

CEOs familiar with each of the thirty locations were asked to rate it on the twelve specific factors just discussed. Again, all CEOs responded on the five office location factors, but only executives in companies engaged in wholesale, retail, or manufacturing operations were asked to rate areas on the seven factors relating to location decisions for manufacturing, warehouse, and distribution facilities.

For office facilities decisions:

-- Atlanta takes first place on "access to domestic markets, customers, and clients." Chicago and New York follow. The lowest rank is held by Norfolk (Table 1-9).

-- Houston leads on "the cost and availability of labor in the area," with Atlanta coming in second and Dallas-Fort Worth third. Cleveland is at the bottom of the list (Table 1-10).

-- Atlanta takes the lead on "the climate state and local government create for business," with Dallas-Fort Worth and Houston following. Detroit takes the last place (Table 1-11).

-- Atlanta stands well out from the pack on "the quality of life for employees." San Diego is a distant runner-up, and Seattle comes in third with Boston, Denver, and Dallas-Fort Worth following. Detroit and Cleveland come in last (Table 1-12).

-- Finally, on "access to international markets, customers, and clients," New York takes a strong lead, followed distantly by San Francisco and Los Angeles. Sacramento comes in last (Table 1-13).

For decisions on manufacturing, warehouse, and distribution facilities:

-- Atlanta heads the list on "availability of sites with existing electricity, water, sewage, roads." Houston and Dallas-Fort Worth trail in second and third place (Table 1-14).

-- Atlanta again leads on "cost and availability of labor." Houston takes second place, and Dallas-Fort Worth third. (Table 1-15).

-- On "access to domestic markets," Atlanta and Chicago are in first and second place, respectively. Los Angeles takes third (Table 1-16).

-- Atlanta takes a clear lead on "the climate state and local government create for business." Dallas-Fort Worth and then Houston follow (Table 1-17).

-- Houston tops the list on "access to raw materials"; San Francisco and New York follow (Table 1-18).

-- Atlanta is clearly in first place on "quality of life for employees," while Denver is a distant second (Table 1-19).

-- New York has a firm lead on "access to international markets," San Francisco follows, then Los Angeles (Table 1-20).

Observation:

Atlanta, the clear frontrunner as a place to locate a business, also leads on eight out of the twelve decision factors tested.

Q.6a,6b,6c

Table 1-1

FAMILIARITY

		Familiar			
Base: 403	Rank	Very Familiar	But Not Very Familiar	Not Familiar	Not Sure
	#	%	%	%	%
Atlanta	3	45	22	20	13
Baltimore	22	22	15	44	19
Boston	8	38	20	28	13
Chicago	4	44	19	25	12
Cincinnati	28	18	12	50	19
Cleveland	20	23	13	47	17
Columbus	25	19	13	50	18
Dallas-Fort Worth	5	41	20	25	14
Denver	10	35	18	32	14
Detroit	13	25	16	41	18
Houston	9	36	20	30	14
Kansas City	23	22	13	47	17
Los Angeles	2	50	12	28	11
Miami	15	23	21	39	17
Milwaukee	26	19	10	51	19
Minneapolis-St. Paul	24	21	14	47	19
New Orleans	17	23	16	44	17
New York	1	54	19	19	8
Norfolk	30	12	11	56	21
Philadelphia	11	28	17	38	17
Phoenix	16	23	16	43	18
Pittsburgh	21	22	15	44	18
Portland, OR	27	18	14	51	17
Sacramento	29	17	11	52	20
St. Louis	19	23	15	45	18
San Diego	12	28	15	41	15
San Francisco	7	39	15	32	14
Seattle	18	23	15	45	17
Tampa	14	25	14	42	19
Washington, D.C.	6	41	16	28	15

Q.7a

Table 1-2

THE BEST PLACES TO LOCATE A BUSINESS TODAY

Base: Familiar With Each Location

	Rank	Excellent	Very Good	Only Fair	Poor	Not Sure
	#	%	%	%	%	%
Atlanta	1	33	45	10	3	9
Baltimore	19	8	45	29	6	13
Boston	5	18	46	21	6	9
Chicago	6	18	41	26	7	8
Cincinnati	12	14	39	28	6	13
Cleveland	29	5	24	47	13	11
Columbus	9	16	37	31	7	9
Dallas-Fort Worth	11	14	41	24	15	6
Denver	21	8	36	35	14	8
Detroit	30	5	19	46	23	7
Houston	22	8	25	30	27	9
Kansas City	25	6	40	33	9	12
Los Angeles	4	19	46	24	5	6
Miami	28	5	27	35	19	14
Milwaukee	27	6	38	38	6	13
Minneapolis-St. Paul	13	13	40	25	8	15
New Orleans	26	5	28	35	17	13
New York	7	18	34	23	18	6
Norfolk	23	7	39	28	7	19
Philadelphia	17	10	44	29	8	10
Phoenix	15	12	51	18	5	14
Pittsburgh	14	13	30	40	8	8
Portland, OR	20	8	41	28	10	13
Sacramento	18	8	52	25	5	11
St. Louis	24	6	44	32	6	12
San Diego	2	19	60	11	4	6
San Francisco	8	17	42	27	8	5
Seattle	16	11	51	23	4	11
Tampa	3	19	48	19	5	9
Washington, D.C.	10	15	35	30	14	6

Q.7b

Table 1-3

PLACES WHERE GENERAL BUSINESS CONDITIONS WILL IMPROVE IN TWELVE MONTHS

Base: Familiar With Each Location

	Rank #	Better %	Worse %	Same %	Not Sure %
Atlanta	5	22	1	58	19
Baltimore	16	14	2	57	27
Boston	10	16	5	58	20
Chicago	24	12	5	61	22
Cincinnati	28	9	3	67	21
Cleveland	21	13	5	57	25
Columbus	7	19	2	58	21
Dallas-Fort Worth	1	29	9	43	19
Denver	4	26	7	47	19
Detroit	29	8	11	59	21
Houston	2	29	10	41	20
Kansas City	12	15	*	59	26
Los Angeles	9	16	5	60	18
Miami	26	11	15	49	25
Milwaukee	13	15	2	59	24
Minneapolis-St. Paul	17	14	2	52	33
New Orleans	11	16	7	51	26
New York	27	10	10	60	20
Norfolk	22	12	-	57	31
Philadelphia	30	7	5	67	21
Phoenix	15	15	4	55	26
Pittsburgh	20	13	4	64	19
Portland, OR	14	15	3	56	26
Sacramento	8	16	2	58	24
St. Louis	23	12	2	61	25
San Diego	3	27	2	54	17
San Francisco	25	12	8	63	16
Seattle	18	14	3	61	22
Tampa	6	22	3	55	20
Washington, D.C.	19	14	7	61	18

Q.4a

Table 1-4

"ABSOLUTELY ESSENTIAL" FACTORS FOR LOCATING OFFICE FACILITIES

	Total
Base	403
	%
Easy access to domestic markets, customers, or clients	37
The cost and availability of labor in the area	23
The climate state and local governments creates for business	21
The quality of life for employees	18
Easy access to international markets, customers, or clients	9

Q.4a

Table 1-5

"ABSOLUTELY ESSENTIAL" FACTORS FOR LOCATING OFFICE FACILITIES: BY REGION

		Region			
	Total	East	South	Midwest	West
Base	403	155	90	99	59
	%	%	%	%	%
Easy access to domestic markets, customers, or clients	37	34	51	29	36
The cost and availability of labor in the area	23	27	20	18	26
The climate state and local government creates for business	21	18	26	16	26
The quality of life for employees	18	19	16	14	22
Easy access to international markets, customers, or climate	9	12	11	4	6

Q.5a

Table 1-6

"ABSOLUTELY ESSENTIAL" FACTORS FOR LOCATING MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES

Base: Involved in wholesale, retail, or manufacturing activities

	Total
Base	216
	%
The availability of sites with existing electricity, water, sewage and roads	40
Easy access to domestic markets, customers, or clients	36
The cost and availability of labor in the area	34
Easy access to raw materials	25
The climate state and local government creates for business through tax policy, and the extent of regulation	24
The quality of life for employees, such as the availability of housing, transportation, and recreational facilities	8
Easy access to international markets, customers or clients	7

Q.4b,4c

Table 1-7

QUALITY OF LIFE FOR OFFICE EMPLOYEES:
MOST IMPORTANT COMPONENTS AND BEST TYPE OF LOCATION

Base: Quality of life for office employees considered "absolutely essential" or "important but not essential"

Base: 297	Importance					Best Types Of Location			
	Absolutely Essential %	Important But Not Essential %	Not Very Important %	Not at All Important %	Not Sure %	Urban Area %	Sub-Urban Area %	Small Town or Rural Area %	Not Sure %
Good public schools	23	66	7	3	1	8	70	2	20
A low crime rate	20	69	9	1	1	5	32	42	21
Affordably-priced housing	20	68	8	3	2	6	34	38	21
Enough streets and highways to handle the traffic	20	66	8	4	1	34	36	7	24
State and local taxes that aren't burdensome to employees	17	71	9	1	2	5	33	36	26
Adequate public transportation	14	53	25	7	1	62	16	2	20
A good social climate for people like yourself	12	68	15	4	1	26	50	2	22
Good colleges and universities	8	47	31	12	1	49	23	3	24
Good cultural facilities such as museums and theatres	6	49	40	4	1	71	11	--	19
Good recreational facilities such as parks and playgrounds	5	48	40	6	1	13	61	5	21

Q.5b,5c

Table 1-8

QUALITY OF LIFE FOR MANUFACTURING, WAREHOUSE, OR DISTRIBUTION EMPLOYEES: MOST IMPORTANT COMPONENTS AND BEST TYPE OF LOCATION

Base: Involved in wholesale, retail, or manufacturing activities and quality of life for manufacturing, warehouse, or distribution employees considered "absolutely essential" or "important but not essential"

Base: 145

	Importance					Best Types Of Location			
	Absolutely Essential %	Important But Not Essential %	Not Very Important %	Not at All Important %	Not Sure %	Urban Area %	Sub-Urban Area %	Small Town or Rural Area %	Not Sure %
Enough streets and highways to handle the traffic	22	70	6	1	1	37	34	9	20
Affordably-priced housing	20	74	4	1	1	8	30	47	16
State and local taxes that aren't burdensome to employees	20	71	7	1	1	7	26	49	18
Good public schools	15	79	4	1	1	8	74	3	15
A low crime rate	12	77	9	*	1	4	26	53	16
Adequate public transportation	10	57	29	3	1	64	16	3	17
A good social climate for people like yourself	7	73	17	2	1	24	54	6	16
Good recreational facilities such as parks and playgrounds	5	59	30	3	2	14	67	4	15
Good cultural facilities such as museums and theatres	5	55	35	4	1	67	15	2	16
Good colleges and universities	4	51	35	8	1	50	23	6	21

Q.7e

Table 1-9

"EXCELLENT" LOCATIONS FOR OFFICE FACILITIES: ACCESS TO DOMESTIC MARKETS, CUSTOMERS, CLIENTS

Base: Familiar With Each Location

	Rank #	Excellent %	Pretty Good %	Only Fair %	Poor %	Not Sure %
Atlanta	1	39	41	6	2	12
Baltimore	9	22	41	16	3	19
Boston	6	28	44	11	2	14
Chicago	2	39	39	8	2	12
Cincinnati	21	10	48	21	1	20
Cleveland	28	8	40	28	4	20
Columbus	24	10	44	26	5	15
Dallas-Fort Worth	4	31	47	8	2	12
Denver	10	19	47	21	2	11
Detroit	22	10	46	27	3	15
Houston	12	15	40	27	3	15
Kansas City	16	13	49	17	2	18
Los Angeles	5	30	45	10	3	12
Miami	13	15	37	23	8	17
Milwaukee	26	9	41	29	4	18
Minneapolis-St. Paul	19	11	45	20	3	22
New Orleans	18	12	38	25	8	18
New York	3	39	36	9	5	10
Norfolk	30	4	42	19	4	30
Philadelphia	17	12	47	19	4	17
Phoenix	25	9	45	24	5	17
Pittsburgh	23	10	45	26	2	18
Portland, OR	27	9	37	28	7	18
Sacramento	29	7	42	23	9	19
St. Louis	11	16	48	16	2	18
San Diego	14	14	45	19	4	18
San Francisco	7	28	49	8	3	12
Seattle	15	13	52	19	5	12
Tampa	20	11	45	21	5	17
Washington, D.C.	8	25	39	18	6	13

Q.7c

Table 1-10

"EXCELLENT" LOCATIONS FOR OFFICE FACILITIES: COST AND AVAILABILITY OF LABOR IN THE AREA

Base: Familiar With Each Location

	Rank \#	Excellent %	Pretty Good %	Only Fair %	Poor %	Not Sure %
Atlanta	2	23	47	10	1	20
Baltimore	17	12	37	22	3	26
Boston	11	14	29	26	11	20
Chicago	8	15	31	29	8	17
Cincinnati	26	8	45	20	3	24
Cleveland	30	5	35	33	5	22
Columbus	5	16	50	14	2	18
Dallas-Fort Worth	3	20	50	12	3	15
Denver	9	14	49	16	3	17
Detroit	29	6	25	39	12	18
Houston	1	26	36	14	6	17
Kansas City	10	14	43	13	5	26
Los Angeles	23	10	38	29	8	15
Miami	27	7	28	29	14	22
Milwaukee	14	13	44	15	3	24
Minneapolis-St. Paul	13	13	48	12	2	24
New Orleans	20	11	35	24	6	24
New York	21	11	27	26	24	12
Norfolk	18	12	35	20	1	31
Philadelphia	25	9	39	27	4	21
Phoenix	4	17	39	16	2	26
Pittsburgh	15	13	38	24	3	22
Portland, OR	22	10	45	15	*	29
Sacramento	24	9	44	16	3	29
St. Louis	28	6	42	23	4	24
San Diego	7	16	39	21	3	21
San Francisco	19	12	28	30	12	19
Seattle	16	12	49	16	1	22
Tampa	6	16	42	15	2	24
Washington, D.C.	12	14	26	24	16	20

Q.7g

Table 1-11

"EXCELLENT" LOCATIONS FOR OFFICE FACILITIES: THE CLIMATE STATE AND LOCAL GOVERNMENT CREATES FOR BUSINESS

Base: Familiar With Each Location

	Rank	Excellent	Pretty Good	Only Fair	Poor	Not Sure
	#	%	%	%	%	%
Atlanta	1	22	37	9	1	32
Baltimore	6	10	32	20	4	33
Boston	25	5	24	27	15	29
Chicago	17	7	30	27	11	25
Cincinnati	27	3	30	28	1	37
Cleveland	28	2	28	31	10	29
Columbus	15	7	33	32	*	28
Dallas-Fort Worth	2	16	42	15	1	26
Denver	22	5	46	17	3	30
Detroit	30	2	17	35	15	32
Houston	3	13	35	17	4	30
Kansas City	26	4	41	19	1	35
Los Angeles	20	6	29	30	7	27
Miami	21	6	28	26	7	33
Milwaukee	23	5	32	29	6	29
Minneapolis-St. Paul	12	8	28	24	9	31
New Orleans	16	7	30	22	7	34
New York	29	2	24	29	22	23
Norfolk	9	8	35	20	2	35
Philadelphia	19	6	34	29	5	27
Phoenix	4	10	44	16	*	29
Pittsburgh	10	8	33	29	2	29
Portland, OR	13	7	37	21	*	35
Sacramento	18	6	35	27	2	31
St. Louis	14	7	36	22	2	33
San Diego	8	9	38	20	3	31
San Francisco	11	8	30	25	12	25
Seattle	7	9	41	16	3	32
Tampa	5	10	39	13	2	35
Washington, D.C.	24	5	29	26	10	30

Q.7d

Table 1-12

"EXCELLENT" LOCATIONS FOR OFFICE FACILITIES: QUALITY OF LIFE FOR EMPLOYEES

Base: Familiar With Each Location

	Rank #	Excellent %	Pretty Good %	Only Fair %	Poor %	Not Sure %
Atlanta	1	40	40	6	*	14
Baltimore	21	9	49	21	1	20
Boston	4	25	39	14	5	16
Chicago	16	13	41	27	7	12
Cincinnati	26	7	49	20	1	23
Cleveland	29	5	36	26	11	22
Columbus	17	12	53	15	2	17
Dallas-Fort Worth	6	22	50	14	2	12
Denver	5	24	52	11	1	12
Detroit	30	4	21	40	18	17
Houston	15	13	44	25	5	14
Kansas City	11	17	41	20	3	19
Los Angeles	18	12	42	28	7	12
Miami	25	8	30	30	14	17
Milwaukee	19	11	46	22	3	18
Minneapolis-St. Paul	7	22	43	12	2	22
New Orleans	23	9	40	27	5	19
New York	24	9	29	31	21	11
Norfolk	27	6	43	20	1	30
Philadelphia	22	9	43	25	5	17
Phoenix	10	18	51	14	1	16
Pittsburgh	20	10	44	25	3	17
Portland, OR	9	21	45	13	*	21
Sacramento	14	15	53	14	2	16
St. Louis	28	6	43	30	2	19
San Diego	2	31	45	11	1	13
San Francisco	8	22	43	19	7	10
Seattle	3	26	51	12	*	11
Tampa	13	16	53	12	*	18
Washington, D.C.	12	17	35	26	9	13

Q.7f

Table 1-13

"EXCELLENT" LOCATIONS FOR OFFICE FACILITIES: ACCESS TO INTERNATIONAL MARKETS, CUSTOMERS, CLIENTS

Base: Familiar With Each Location

	Rank #	Excellent %	Pretty Good %	Only Fair %	Poor %	Not Sure %
Atlanta	8	26	27	16	2	29
Baltimore	11	17	25	20	2	36
Boston	4	28	35	7	*	30
Chicago	7	26	33	10	2	29
Cincinnati	28	2	12	35	8	44
Cleveland	26	3	16	31	10	40
Columbus	29	1	13	34	13	39
Dallas-Fort Worth	10	17	27	25	2	29
Denver	21	5	19	37	7	31
Detroit	19	8	18	32	8	34
Houston	15	10	29	28	5	29
Kansas City	20	6	12	35	9	38
Los Angeles	3	39	26	7	*	27
Miami	6	27	24	15	2	32
Milwaukee	22	4	14	35	8	39
Minneapolis-St. Paul	25	3	19	36	5	36
New Orleans	13	12	27	23	6	32
New York	1	51	21	5	2	22
Norfolk	23	3	27	16	7	46
Philadelphia	14	11	40	17	2	32
Phoenix	27	3	15	34	8	39
Pittsburgh	16	9	15	33	5	37
Portland, OR	18	8	19	28	7	38
Sacramento	30	-	21	28	10	42
St. Louis	24	3	20	34	9	35
San Diego	12	15	29	17	3	37
San Francisco	2	39	27	6	1	27
Seattle	9	18	27	19	1	34
Tampa	17	8	25	28	6	32
Washington, D.C.	5	28	26	18	2	27

Q.8g

Table 1-14

"EXCELLENT" LOCATIONS FOR MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: AVAILABILITY OF SITES WITH EXISTING ELECTRICITY, WATER, SEWAGE, ROADS

Base: Involved in wholesale, retail, or manufacturing activities and familiar with each location

	Rank	Excellent	Pretty Good	Only Fair	Poor	Not Sure
	#	%	%	%	%	%
Atlanta	1	32	38	7	2	21
Baltimore	13	15	35	17	4	29
Boston	26	11	29	24	7	29
Chicago	10	16	37	21	3	22
Cincinnati	6	20	34	17	1	28
Cleveland	12	15	40	22	1	23
Columbus	9	17	48	10	-	25
Dallas-Fort Worth	3	25	43	11	1	19
Denver	5	20	41	15	4	21
Detroit	24	12	31	28	5	24
Houston	2	26	37	14	2	21
Kansas City	7	19	45	12	1	24
Los Angeles	15	14	37	22	5	22
Miami	23	12	33	27	5	23
Milwaukee	20	12	45	20	2	22
Minneapolis-St. Paul	17	13	46	10	3	28
New Orleans	19	13	31	24	3	29
New York	29	10	22	23	22	23
Norfolk	22	12	39	16	3	28
Philadelphia	21	12	40	20	9	19
Phoenix	11	15	41	20	5	19
Pittsburgh	30	9	37	32	2	20
Portland, OR	18	13	39	17	2	28
Sacramento	4	21	39	10	4	26
St. Louis	25	11	41	15	2	31
San Diego	8	18	38	16	6	23
San Francisco	16	14	28	23	13	23
Seattle	14	14	42	16	1	26
Tampa	27	10	46	13	4	26
Washington, D.C.	28	10	28	18	16	28

Q.8a

Table 1-15

"EXCELLENT" LOCATIONS FOR MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: COST AND AVAILABILITY OF LABOR IN THE AREA

Base: Involved in wholesale, retail, or manufacturing activities and familiar with each location

	Rank	Excellent	Pretty Good	Only Fair	Poor	Not Sure
	#	%	%	%	%	%
Atlanta	1	22	43	15	1	20
Baltimore	28	3	36	33	7	21
Boston	20	6	17	30	22	24
Chicago	14	8	28	33	9	23
Cincinnati	15	7	44	20	2	26
Cleveland	17	7	31	35	4	23
Columbus	21	5	48	25	3	19
Dallas-Fort Worth	3	18	45	15	4	18
Denver	6	10	42	23	4	21
Detroit	29	3	25	40	14	18
Houston	2	21	42	17	5	16
Kansas City	10	8	43	22	5	23
Los Angeles	5	11	21	42	6	20
Miami	18	7	28	29	13	23
Milwaukee	23	5	37	29	3	27
Minneapolis-St. Paul	19	6	38	29	3	24
New Orleans	27	4	34	32	6	24
New York	30	3	18	29	33	17
Norfolk	22	5	40	22	3	30
Philadelphia	26	4	37	33	9	16
Phoenix	4	11	48	22	3	17
Pittsburgh	11	8	38	26	6	21
Portland, OR	12	8	37	23	2	30
Sacramento	16	7	35	22	6	29
St. Louis	25	4	37	24	3	31
San Diego	13	8	36	26	8	28
San Francisco	9	9	21	33	14	23
Seattle	7	10	40	24	-	26
Tampa	8	9	41	17	4	29
Washington, D.C.	24	5	20	29	23	23

Q.8c

Table 1-16

"EXCELLENT" LOCATIONS FOR MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: ACCESS TO DOMESTIC MARKETS, CUSTOMERS, CLIENTS

Base: Involved in wholesale, retail, or manufacturing activities and familiar with each location

	Rank	Excellent	Pretty Good	Only Fair	Poor	Not Sure
	#	%	%	%	%	%
Atlanta	1	32	38	8	3	19
Baltimore	9	18	45	15	4	18
Boston	10	18	42	15	5	22
Chicago	2	30	36	13	2	19
Cincinnati	19	13	45	18	2	23
Cleveland	16	15	33	31	3	17
Columbus	30	8	41	27	5	19
Dallas-Fort Worth	5	21	42	17	2	18
Denver	8	19	40	20	7	15
Detroit	27	11	40	30	3	16
Houston	24	12	38	28	6	16
Kansas City	11	18	42	17	2	21
Los Angeles	3	25	42	11	4	18
Miami	18	14	23	38	9	17
Milwaukee	28	11	39	26	1	23
Minneapolis-St. Paul	20	13	43	16	2	26
New Orleans	21	13	34	30	5	19
New York	7	21	36	19	9	16
Norfolk	29	10	37	19	6	27
Philadelphia	22	12	46	20	6	16
Phoenix	14	15	36	25	9	14
Pittsburgh	23	12	41	29	2	16
Portland, OR	26	12	33	29	5	21
Sacramento	12	16	30	27	8	19
St. Louis	6	21	37	21	2	19
San Diego	15	15	34	27	5	19
San Francisco	4	23	43	13	4	17
Seattle	13	15	38	21	6	20
Tampa	25	12	35	29	7	17
Washington, D.C.	17	14	31	26	9	21

Q.8f

Table 1-17

"EXCELLENT" LOCATIONS FOR MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: THE CLIMATE STATE AND LOCAL GOVERNMENT CREATE FOR BUSINESS

Base: Involved in wholesale, retail, or manufacturing activities and familiar with each location

	Rank #	Excellent %	Pretty Good %	Only Fair %	Poor %	Not Sure %
Atlanta	1	22	37	10	2	30
Baltimore	28	2	39	28	4	27
Boston	23	4	22	27	14	33
Chicago	22	4	29	31	5	31
Cincinnati	17	5	45	23	1	27
Cleveland	14	6	31	35	6	22
Columbus	9	7	46	25	1	22
Dallas-Fort Worth	2	13	42	14	5	26
Denver	16	5	47	22	3	24
Detroit	30	1	28	37	9	24
Houston	3	12	40	21	3	23
Kansas City	6	8	48	14	3	27
Los Angeles	20	5	31	29	9	26
Miami	15	6	27	32	7	28
Milwaukee	4	9	37	24	6	24
Minneapolis-St. Paul	13	6	37	22	11	23
New Orleans	21	4	39	17	8	32
New York	27	3	19	33	22	23
Norfolk	24	3	43	16	2	35
Philadelphia	26	3	41	28	6	22
Phoenix	8	7	50	18	2	23
Pittsburgh	19	5	34	32	2	26
Portland, OR	7	8	29	23	3	37
Sacramento	5	9	36	20	8	28
St. Louis	18	5	34	23	4	34
San Diego	10	7	37	19	5	33
San Francisco	11	7	26	26	10	30
Seattle	12	6	42	19	2	31
Tampa	25	3	42	20	3	32
Washington, D.C.	29	2	23	32	10	33

Q.8e

Table 1-18

"EXCELLENT" LOCATIONS FOR MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: ACCESS TO RAW MATERIALS

Base: Involved in wholesale, retail, or manufacturing activities and familiar with each location

	Rank #	Excellent %	Pretty Good %	Only Fair %	Poor %	Not Sure %
Atlanta	4	13	36	15	5	31
Baltimore	17	8	33	16	7	36
Boston	15	9	25	21	9	36
Chicago	6	12	38	14	3	33
Cincinnati	22	7	31	18	2	42
Cleveland	20	7	37	22	3	33
Columbus	25	6	37	18	2	36
Dallas-Fort Worth	9	10	41	15	7	28
Denver	10	10	33	17	8	33
Detroit	13	9	31	27	3	31
Houston	1	15	33	20	7	26
Kansas City	7	12	30	19	6	33
Los Angeles	5	13	32	14	9	32
Miami	24	7	33	22	6	32
Milwaukee	21	7	23	23	13	33
Minneapolis-St. Paul	19	8	31	22	6	32
New Orleans	11	10	32	19	9	38
New York	2	14	25	21	12	30
Norfolk	30	1	33	19	8	31
Philadelphia	28	5	37	19	9	38
Phoenix	29	3	26	27	14	30
Pittsburgh	12	9	33	22	8	28
Portland, OR	16	9	22	23	10	36
Sacramento	23	7	25	22	12	34
St. Louis	18	8	33	19	6	35
San Diego	14	9	25	16	12	39
San Francisco	3	14	27	17	10	32
Seattle	8	12	30	21	10	27
Tampa	26	6	27	22	11	35
Washington, D.C.	27	6	23	19	17	35

Q.8b

Table 1-19

"EXCELLENT" LOCATIONS FOR MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: QUALITY OF LIFE FOR EMPLOYEES

Base: Involved in wholesale, retail, or manufacturing activities
and familiar with each location

	Rank #	Excellent %	Pretty Good %	Only Fair %	Poor %	Not Sure %
Atlanta	1	29	42	9	1	19
Baltimore	19	8	35	31	4	23
Boston	6	16	37	21	4	23
Chicago	15	9	37	30	4	20
Cincinnati	13	10	53	14	-	22
Cleveland	23	6	42	27	6	18
Columbus	17	8	54	18	-	20
Dallas-Fort Worth	8	14	47	18	3	18
Denver	2	20	51	10	-	19
Detroit	30	1	21	48	14	16
Houston	9	14	45	24	3	15
Kansas City	14	9	54	[illegible]	4	23
Los Angeles	16	9	30	[illegible]	5	19
Miami	21	7	20	[illegible]	16	19
Milwaukee	22	6	42	2[illegible]	1	23
Minneapolis-St. Paul	3	18	35	18	2	27
New Orleans	20	7	36	31	3	22
New York	27	4	23	30	27	15
Norfolk	28	3	36	31	-	29
Philadelphia	25	5	42	29	8	16
Phoenix	7	15	50	17	2	16
Pittsburgh	26	5	36	42	2	15
Portland, OR	12	12	46	15	-	26
Sacramento	11	13	41	24	3	19
St. Louis	29	2	44	28	3	23
San Diego	4	17	45	15	1	22
San Francisco	10	14	37	20	8	21
Seattle	5	17	42	19	-	22
Tampa	18	8	51	14	4	24
Washington, D.C.	24	6	26	31	14	23

Q.8d

Table 1-20

"EXCELLENT" LOCATIONS FOR MANUFACTURING, WAREHOUSE, OR DISTRIBUTION FACILITIES: ACCESS TO INTERNATIONAL MARKETS, CUSTOMERS, CLIENTS

Base: Involved in wholesale, retail, or manufacturing activities and familiar with each location

	Rank	Excellent	Pretty Good	Only Fair	Poor	Not Sure
	#	%	%	%	%	%
Atlanta	7	17	30	17	2	33
Baltimore	9	15	25	19	4	38
Boston	5	21	31	12	1	36
Chicago	10	13	36	16	3	32
Cincinnati	30	-	21	26	8	45
Cleveland	25	2	16	32	6	43
Columbus	29	1	14	35	6	43
Dallas-Fort Worth	13	11	34	19	4	32
Denver	18	18	23	27	8	34
Detroit	21	3	19	36	7	34
Houston	14	9	36	20	4	31
Kansas City	19	7	24	25	7	37
Los Angeles	3	29	29	10	1	31
Miami	4	23	26	21	2	29
Milwaukee	28	1	22	27	6	44
Minneapolis-St. Paul	27	1	24	26	6	43
New Orleans	11	13	30	17	3	37
New York	1	33	25	11	3	27
Norfolk	22	2	29	18	5	46
Philadelphia	17	8	42	16	3	31
Phoenix	23	2	24	27	12	35
Pittsburgh	24	2	17	38	6	36
Portland, OR	16	9	23	23	4	41
Sacramento	20	3	24	23	14	37
St. Louis	26	1	27	29	5	37
San Diego	8	16	28	16	2	38
San Francisco	2	30	31	8	*	31
Seattle	6	20	28	16	1	36
Tampa	15	9	24	31	3	33
Washington, D.C.	12	13	29	17	6	34

2. FACTORS IMPACTING THE PRICE OF BUSINESS REAL ESTATE

Ranking of Price Factors

Above all, the law of supply and demand is seen to drive the price of business real estate (Table 2-1):

-- 64% of all CEOs say high demand for space by businesses impacts the price of business real estate "a great deal";

-- 57% say overbuilding by developers impacts price "a great deal."

The level of long-term interest rates, in the view of Business America, is of middling importance, with 39% saying it has "a great deal" of impact on price.

At a still lower level of importance are taxes; 32% feel federal tax treatment of investment real estate, and 27% feel state and local business taxes, impact the price of business real estate "a great deal."

Larger organizations with revenues of $1 billion and over seem more likely than smaller ones to see demand, interest rates, and state and local taxes impacting prices "a great deal" (Table 2-2).

Locations Most Impacted

-- New York is named most often -- by 61% of all CEOs -- as a location where high demand for space has the greatest impact on the price of business real estate. Boston follows distantly at 35%, Los Angeles at 32%, Washington at 25%, and San Francisco and Atlanta both at 22% (Table 2-3).

-- On the flip side of the coin, 62% cite Houston as a location where overbuilding has the greatest impact on price. Forty-eight percent name Dallas-Fort Worth, and 33% cite Denver (Table 2-4).

-- New York is named most often, at 48% mention, as a location where state and local taxes have the greatest impact on the price of real estate. No other location even comes close (Table 2-5).

-- New York is also cited by 41% as a location where real estate purchases by foreign investors have the greatest impact on price. The next most often mentioned area is Los Angeles, at 27%. San Francisco is named by 17% (Table 2-6).

Q.9a

Table 2-1

FACTORS IMPACTING THE PRICE OF BUSINESS REAL ESTATE

Base: 403	Impacts: A Great Deal %	Somewhat %	Not Very Much %	Not At All %	Not Sure %
High demand for space by business	64	27	4	1	5
Overbuilding by developers	57	28	9	1	6
The level of long term interest rates	39	44	9	2	7
Federal tax treatment of real estate as an investment	32	45	12	5	7
State and local business taxes	27	53	11	2	7
Real estate purchases by foreign investors	11	40	26	11	12

Q.9a

Table 2-2

FACTORS IMPACTING THE PRICE OF BUSINESS REAL ESTATE "A GREAT DEAL": BY REVENUES

		Revenues	
	Total	Under $1 Billion	$1 Billion Billion
Base	403	203	200
	%	%	%
High demand for space by business	64	60	73
Overbuilding by developers	57	55	60
The level of long-term interest rates	39	38	41
Federal tax treatment of real estate as an investment	32	32	30
State and local business taxes	27	26	31
Real estate purchases by foreign investments	11	10	13

Q.9b

Table 2-3

LOCATIONS WHERE HIGH DEMAND FOR SPACE HAS GREATEST IMPACT ON PRICE OF BUSINESS REAL ESTATE

Base	Total 403 %
Atlanta	22
Baltimore	1
Boston	35
Chicago	17
Cincinnati	*
Cleveland	*
Columbus	2
Dallas-Fort Worth	5
Denver	2
Detroit	1
Houston	4
Kansas City	1
Los Angeles	32
Miami	1
Milwaukee	-
Minneapolis-St. Paul	*
New Orleans	1
New York	61
Norfolk	*
Phildelphia	4
Phoenix	3
Pittsburgh	1
Portland, OR	-
Sacramento	1
St. Louis	*
San Diego	4
San Francisco	22
Seattle	1
Tampa	3
Washington, D.C.	24
Not sure	9

Q.9c

Table 2-4

LOCATIONS WHERE OVERBUILDING BY DEVELOPERS HAS GREATEST IMPACT ON PRICE OF BUSINESS REAL ESTATE

	Total
Base	403
	%
Atlanta	9
Baltimore	*
Boston	2
Chicago	5
Cincinnati	1
Cleveland	1
Columbus	1
Dallas-Fort Worth	48
Denver	33
Detroit	2
Houston	62
Kansas City	3
Los Angeles	8
Miami	3
Milwaukee	*
Minneapolis-St. Paul	*
New Orleans	3
New York	9
Norfolk	*
Phildelphia	1
Phoenix	3
Pittsburgh	1
Portland, OR	1
Sacramento	-
St. Louis	*
San Diego	2
San Francisco	3
Seattle	1
Tampa	2
Washington, D.C.	2
Not sure	12

Q.9e

Table 2-5

LOCATIONS WHERE STATE AND LOCAL BUSINESS TAXES TAXES HAVE GREATEST IMPACT ON PRICE OF BUSINESS REAL ESTATE

Base	Total 403 %
Atlanta	3
Baltimore	1
Boston	18
Chicago	10
Cincinnati	1
Cleveland	1
Columbus	1
Dallas-Fort Worth	2
Denver	2
Detroit	3
Houston	4
Kansas City	1
Los Angeles	11
Miami	3
Milwaukee	1
Minneapolis-St. Paul	4
New Orleans	*
New York	48
Norfolk	1
Phildelphia	3
Phoenix	1
Pittsburgh	1
Portland, OR	1
Sacramento	*
St. Louis	*
San Diego	1
San Francisco	10
Seattle	2
Tampa	1
Washington, D.C.	9
Not sure	36

Q.9d

Table 2-6

LOCATIONS WHERE REAL ESTATE PURCHASES BY FOREIGN INVESTORS HAVE GREATEST IMPACT ON PRICE OF BUSINESS REAL ESTATE

Base	Total 403 %
Atlanta	4
Baltimore	1
Boston	3
Chicago	4
Cincinnati	-
Cleveland	*
Columbus	-
Dallas-Fort Worth	2
Denver	1
Detroit	*
Houston	7
Kansas City	1
Los Angeles	27
Miami	8
Milwaukee	*
Minneapolis-St. Paul	-
New Orleans	1
New York	41
Norfolk	*
Phildelphia	1
Phoenix	-
Pittsburgh	-
Portland, OR	-
Sacramento	-
St. Louis	-
San Diego	1
San Francisco	17
Seattle	1
Tampa	-
Washington, D.C.	7
Not Sure	40

3. LOCATION PLANS AND INTENTIONS

Space Changes in the Next Twelve Months

Almost two in five CEOs (39%) report their organizations intend to lease new space for office operations in the next twelve months, 24% plan to build new space, 18% to acquire new space and renovate it for a new purpose, and 16% to purchase new space. When those who plan to lease, build, purchase, or renovate new office space are netted so that those who intend to do more than one are counted only once, it turns out that 50% of Business America intends to acquire office space in the next year (Table 3-1). Finally, 44% of these top executives say their companies plan to terminate an office lease or sell an office facility in the next year.

Larger organizations with revenues of $1 billion and over are decidely more likely than smaller ones to plan to lease, build, renovate, and purchase new office space, with a netted total of 65% compared with 44% of smaller companies planning to acquire office space in the next twelve months. They are also much more likely to say they intend to terminate a lease or sell a facility (Table 3-2).

For manufacturing, warehouse, and distribution facilities, 25% of CEOs in organizations involved in wholesale, retail, or manufacturing operations plan to build new space for those activities in the next year, 24% plan to lease new space, 17% to purchase new space, and 16% to renovate. In all, a netted total of 41% of organizations in this category plan to acquire new manufacturing, warehouse, or distribution space. Almost two in five (37%) intend to terminate a lease or sell a facility (Table 3-3). Again, those in larger organizations with revenues of $1 billion and over are more likely to say they'll build, lease, and purchase new manufacturing, warehouse, or distribution space (a netted total of 58% of the larger organizations that engage in these activities compared with 32% of the smaller ones), and more likely to predict they'll terminate a lease or sell a facility used for those purposes (Table 3-4).

Where Business America Plans To Locate

Of those who plan to acquire new office space in the next twelve months, just over one in five (23%) say they'll do so in the New York City area. Not surprisingly, this figure is proportionately higher in the East than in other regions of the country. The next most popular location is the Los Angeles area, cited by 14% of those who plan to acquire office space, including over half of those headquartered in the western states. The San Francisco and Chicago areas are each named by 12%, and the Atlanta and Washington, D.C., areas are cited by 10% each.

New York and Los Angeles lead as areas in which wholesale, retail, and manufacturing companies plan to acquire industrial, warehouse, or distribution space in the next year, named by 15% each. Thirteen percent cite the Boston area, and 11% each name the Atlanta and the Dallas-Fort Worth areas.

Cities, Suburbs, Rural Areas: Location Expectations for the Next Five Years

Forty-seven percent of Business America's CEOs report most of their office facilities are in urban areas today, 29% say most are in suburban areas, 7% say most are in small towns or rural areas, and 17% cite a combination. But a shift away from the cities is anticipated; a lower 33% expect most of their new office facilities to be located in urban areas over the next five years (Table 3-5). The number of CEOs expecting new facilities to be located in suburban or rural areas remain virtually the same as the number who say most of their offices are located in those kinds of areas today. Ten percent say new offices will be acquired in a combination of locations, 16% say the question doesn't apply to their organization, meaning presumably that they don't intend to acquire new office facilities in that timeframe, while 9% are unsure where these new facilities would be located. When those who do not specify a type of area are excluded from the sample, however, the percentage specifying urban areas for new office facilities in the next five years still drops somewhat from the percentage who say most office facilities are in cities today, but the percentage indicating new office space will be acquired in the suburbs now becomes larger than the percentage who say most of their office facilities are in suburban areas today (Table 3-6). Even though, by this measure, CEOs still specify urban areas over suburban areas by 50-42%, the evidence points to a narrowing gap from the 57-35% whose facilities are mainly in urban areas rather than suburban today and indicates a certain degree of movement away from the cities and into the suburbs for office facilities in the years to come.

Overall, most new office facilities planned are branch offices, followed by head offices, sales offices, and back-office or processing facilities (Table 3-7). Those who specify most of their new facilities will be in urban areas envision head offices and branch offices equally, with sales offices following and then processing facilities. Those who think most of their new offices will be in suburban or rural areas visualize above all branch offices.

Suburban areas predominate as locations for manufacturing, warehouse, and distribution facilities today, and this is not expected to change in five years (Table 3-8). Overall, those involved in wholesale, retail, or manufacturing operations and specify an area for most new manufacturing, warehouse, and distribution facilities in the next five years are thinking first of distribution centers and then of warehouses, with processing plants and assembly plants cited less frequently. Distribution centers are largely what CEOs anticipating urban and suburban locations have in mind, with warehouses also a big item for the suburbs; those who say most of the facilities will be in rural areas mention processing plants, then warehouses (Table 3-9).

Q.10a

Table 3-1

LOCATION PLANS FOR OFFICE OPERATIONS IN NEXT TWELVE MONTHS

	Total
Base	403
	%
Plan To:	
Lease new space	39
Build new space	24
Acquire space and renovate it for a new purpose	18
Purchase new space	16
Net: Acquire space	50
Terminate a lease or sell a a facility	44

Q.10a

Table 3-2

LOCATION PLANS FOR OFFICE OPERATIONS IN NEXT TWELVE MONTHS: BY REVENUES

		Revenues	
	Total	Under $1 $1 Billion	$1 Billion And Over
Base	403	203	200
	%	%	%
Plan To:			
Lease new space	39	34	50
Build new space	24	19	38
Acquire space and renovate it for a new purpose	18	14	27
Purchase new space	16	13	24
Net: Acquire space	50	44	65
Terminate a lease or sell a facility	44	37	61

Q.11a

Table 3-3

LOCATION PLANS FOR MANUFACTURING, WAREHOUSE, OR DISTRIBUTION OPERATIONS IN NEXT TWELVE MONTHS

Base: Involved in wholesale, retail, or manufacturing activities

	Total
Base	216
	%
Plan To:	
Build new space	25
Lease new space	24
Purchase new space	17
Acquire space and renovate it for a new purpose	16
Net: Acquire space	41
Terminate a lease or sell a facility	37

Q.11a

Table 3-4

LOCATION PLANS FOR MANUFACTURING, WAREHOUSE, OR DISTRIBUTION OPERATIONS IN NEXT TWELVE MONTHS: BY REVENUES

Base: Involved in wholesale, retail, or
manufacturing activities

		Revenues	
	Total	Under $1 $1 Billion	$1 Billion And Over
Base	216	96	120
	%	%	%
Plan To:			
Build new space	25	18	38
Lease new space	24	19	32
Purchase new space	17	12	27
Acquire space and renovate it for a new purpose	16	15	18
Net: Acquire space	41	32	58
Terminate a lease or sell a facility	37	31	49

Q.2a,2b

Table 3-5

LOCATION OF ORGANIZATION'S OFFICE FACILITIES TODAY AND NEW FACILITIES IN NEXT FIVE YEARS

	Total	
Base: 403	Today	Next Five Years
	%	%
Most Office Facilities In:		
Urban areas	47	33
Suburban areas	29	27
Small town or rural areas	7	5
Combination	17	10
Not applicable	*	16
Not sure	1	9

Q.2a,2b

Table 3-6

LOCATION OF ORGANIZATION'S OFFICE FACILITIES TODAY AND NEW FACILITIES IN NEXT FIVE YEARS

Base: Those specifying an area

	Total	
	Today	Next Five Years
Base	334	274
	%	%
Most Office Facilities In:		
Urban areas	57	50
Suburban areas	35	42
Small town or rural areas	8	8

Q.2c

Table 3-7

TYPES OF NEW OFFICE FACILITIES PLANNED FOR NEXT FIVE YEARS: BY MAIN TYPE OF LOCATION PLANNED

Base: Those specifying an area

		Main Type of Location Planned		
	Total	Urban	Suburban	Town/ Rural
Base	274	138	113	23
	%	%	%	%
Type of Facility				
Branch office	48	39	62	39
Head office	33	39	28	26
Sales office	25	25	27	19
Back office/processing	19	16	21	21
Other	5	4	6	6
Not sure	5	7	2	8

Q.3a,3b

Table 3-8

LOCATION OF ORGANIZATION'S MANUFACTURING, WAREHOUSE DISTRIBUTION FACILITIES TODAY AND NEW FACILITIES IN NEXT FIVE YEARS

Base: Involved in wholesale, retail, or manufacturing activities

Base: 216	Total	
	Today %	Next Five Years %
Most Manufacturing, Warehouse, and Distribution Facilities In:		
Urban areas	19	13
Suburban areas	33	28
Small town or rural areas	25	21
Combination	17	13
Not applicable	1	14
Not sure	5	11

Q.3c

Table 3-9

TYPES OF NEW MANUFACTURING, WAREHOUSE, AND DISTRIBUTION FACILITIES PLANNED FOR NEXT FIVE YEARS: BY MAIN TYPE OF LOCATION PLANNED

Base: Involved in wholesale, retail, or manufacturing operations and specify an area for most new manufacturing, warehouse, and distribution facilities in next five years.

		Main Type of Location Planned		
	Total	Urban	Suburban	Town/ Rural
Base	137	26	64	47
	%	%	%	%
Type of Facility				
Distribution center	47	65	60	20
Warehouse	40	37	48	32
Processing plant	29	17	24	42
Assembly plant	28	17	39	20
Extraction plant	6	-	5	12
Other	7	8	10	3
Not sure	5	5	2	9

4. EXPECTATIONS FOR THE ECONOMY, THE INDUSTRY, THE COMPANY

The Economy

A 70% majority of CEOs across America expect the rate of inflation to be higher in twelve months than it is now, with 28% predicting it will stay the same and virtually no one predicting it will be lower (Table 4-1). This is a markedly more bearish forecast than that made by CEOs in the first Cushman & Wakefield Monitor last October; at that time, a lower 41% expected the inflation rate to go up, while 57% said it would stay about the same over the next twelve months.

Similarly, a 73% majority today predict a rise in long-term interest rates over the next twelve months, with 23% saying interest rates will stay about the same and again almost no are saying they'll be lower. A lower 53% majority said interest rates would rise last October, 37% thought they would stay about the same, and 10% said they'd go lower.

Notwithstanding this sobering forecast, by a 51-45% majority Business America predicts wage rates in their industry will stay about the same rather than go up in the next year. Interestingly, despite a sense of gloom on inflation and interest rates, predictions of higher wage rates have become a bit more optimistic since October.

The Industry

Again, notwithstanding an inflationary forecast for the next twelve months, CEOs remain fairly confident, if not entirely so, that they'll have the flexibility to keep their prices up with inflation. Forty-five percent predict prices in their industry will be higher while another 45% think they'll be about the same (Table 4-2).

A thin majority of CEOs see market conditions in their industry staying about the same despite some deterioration in the economy overall. Fifty-one percent feel that way today, and an optimistic 33% even see market conditions in their industry improving in the next year. Only 14% predict market conditions in their industry will get worse.

The Company

Much as was found in the October Monitor, a plurality of CEOs predict that capital expenditures in their own companies will rise (Table 4-3). Forty-seven percent see capital expenditures increasing, 39% think they'll stay about the same, and 11% predict a decrease.

By 42-37%, CEOs expect the number of office employees in their organizations to stay the same rather than increase in the next twelve months; 19% predict a decrease (Table 4-4). By an even wider 45-28% margin, top executives of organizations involved in wholesale, retail, or manufacturing operations predict the number of manufacturing, warehouse, and distribution employees will stay the same rather than increase, with 19% saying this number will decrease.

Observation:

As an inflationary trend becomes apparent in the economy overall, CEOs take a cautious but positive view of the effect this will have on their own industries and companies. Pluralities expect to hold their employment levels steady.

Q.1a,1b,1c

Table 4-1

EXPECTATIONS FOR THE ECONOMY

	Total
Base	403
	%
Rate of Inflation in Twelve Months	
Much higher	4
Somewhat higher	66
About the same	28
Somewhat lower	*
Much lower	-
Not sure	2
Long-Term Interest Rates in Twelve Months	
Much higher	4
Somewhat higher	69
About the same	23
Somewhat lower	2
Much lower	*
Not sure	2
Wage Rates in Twelve Months	
Much higher	1
Somewhat higher	44
About the same	51
Somewhat lower	2
Much lower	-
Not sure	2

Q. 1d,e

Table 4-2

EXPECTATIONS FOR THE INDUSTRY: BY INDUSTRY

	Total
Base	403
	%
Industry Price Levels in Twelve Months	
Much higher	2
Somewhat higher	43
About the same	45
Somewhat lower	5
Much lower	*
Not sure	5
Industry Market Conditions in Twelve Months	
Much better	3
Somewhat better	30
About the same	51
Somewhat worse	14
Much worse	*
Not sure	3

Q.14

Table 4-3

EXPECTATIONS FOR THE COMPANY'S CAPITAL EXPENDITURES IN NEXT TWELVE MONTHS

	Total
Base	403
	%
Expect Capital Expenditures To:	
Increase a great deal	9
Increase somewhat	38
Stay same	39
Decrease somewhat	10
Decrease a great deal	1
Not sure	2

Q.12,13

Table 4-4

EXPECTATIONS FOR NUMBER OF EMPLOYEES IN NEXT TWELVE MONTHS

	Total
Base	403
	%
Expect Number of Office Employees to:	
Increase a great deal	4
Increase somewhat	33
Stay the same	42
Decrease somewhat	17
Decrease a great deal	2
Not sure	1
Expect Number of Manufacturing, Warehouse, and Distribution Employees to:	
(Base: Involved in wholesale, retail, or manufacturing activities)	(216)
	%
Increase a great deal	5
Increase somewhat	23
Stay the same	45
Decrease somewhat	18
Decrease a great deal	1
Not sure	9

5. AREA SUMMARIES

The following tables summarize key findings by market across a range of variables:

Overall ratings show how a city is perceived on the most general and expansive set of criteria:

-- Familiarity as a business location, from Q. 6a.

-- Overall rating as a place to do business today from Q. 7a.

-- The extent to which business conditions there are expected to be better 12 months from now from Q. 7b.

Ratings on locating office facilities are based on perceptions of the cost and availability of labor (Q. 7c); the quality of life for employees (Q.7d); easy access to domestic markets (Q. 7e); easy access to international markets (Q. 7f); and on the climate state and local government creates for business (Q. 7g).

Ratings on locating manufacturing, warehouse, or distribution facilities are based on perceptions of the cost and availability of labor (Q. 8a); the quality of life for employees (Q. 8b); easy access to domestic markets (Q. 8c); easy access to international markets (Q. 8d); easy access to raw materials (Q. 8e); the climate state and local government creates for business (Q. 8f); and on the availability of fully-serviced sites (Q. 8g).

On each table, the first column of data gives the area's percentage score on each variable, the second column the area's ranking on the thirty-area lost, the third column the average score across the thirty cities, and the fourth column the percentage-point difference between the area's score and the thirty-city average on each variable.

Percentage ratings (except from familiarity, which is asked of all respondents) are based only on the responses of those familiar with the market as a business location. Only "top of the scale" responses such as "excellent" ("not very good") are shown here. Rankings are based on "top of scale" responses. In questions using four-point scales, ties in the "top of scale" responses are resolved first by ranking on the higher of second scale responses, then, if necessary, by the lower of the combined responses in the third and fourth scales.

Summary of Findings:

	Atlanta %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	45	3	28	+17
"Excellent place to locate today"	33	1	12	+21
"Better" business conditions in 12 months	22	5	16	+ 6
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	23	2	13	+10
The quality of life for employees	40	1	15	+25
Easy access to domestic markets	39	1	17	+17
Easy access to international markets	26	8	14	+12
Governmental climate	22	1	7	+15
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	22	1	8	+14
The quality of life for employees	29	1	10	+19
Easy access to domestic markets	32	1	16	+16
Easy access to international markets	17	7	11	+ 6
Easy access to raw materials	13	4	9	+ 4
Government climate	22	1	6	+16
Availability of serviced sites	32	1	15	+17

Summary of Findings:

	Baltimore %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	22	22	28	- 6
"Excellent place to locate today"	8	19	12	- 4
"Better" business conditions in 12 months	14	16	16	- 2
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	12	17	13	- 1
The quality of life for employees	9	21	15	- 4
Easy access to domestic markets	22	9	17	+ 5
Easy access to international markets	17	11	14	+ 3
Governmental climate	10	6	7	+ 3
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	3	28	8	- 5
The quality of life for employees	8	19	10	- 2
Easy access to domestic markets	18	9	16	+ 2
Easy access to international markets	15	9	11	+ 4
Easy access to raw materials	8	17	9	- 1
Government climate	2	28	6	- 4
Availability of serviced sites	15	13	15	0

Summary of Findings:

	Boston %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	38	8	28	+10
"Excellent place to locate today"	18	5	12	+ 6
"Better" business conditions in 12 months	16	10	16	0
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	14	11	13	+ 1
The quality of life for employees	25	4	15	+10
Easy access to domestic markets	28	6	17	+11
Easy access to international markets	28	4	14	+14
Governmental climate	5	25	7	- 2
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	6	20	8	- 2
The quality of life for employees	16	6	10	+ 6
Easy access to domestic markets	18	10	16	+ 2
Easy access to international markets	21	5	11	+10
Easy access to raw materials	9	15	9	0
Government climate	4	23	6	- 2
Availability of serviced sites	11	26	15	- 4

Summary of Findings:

	Chicago %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	44	4	28	+16
"Excellent place to locate today"	18	6	12	+ 6
"Better" business conditions in 12 months	12	24	16	- 4
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	15	8	13	+ 2
The quality of life for employees	13	16	15	- 2
Easy access to domestic markets	39	2	17	+22
Easy access to international markets	26	7	14	+12
Governmental climate	7	17	7	0
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	8	14	8	0
The quality of life for employees	9	15	10	- 1
Easy access to domestic markets	30	2	16	+14
Easy access to international markets	13	10	11	+ 2
Easy access to raw materials	12	6	9	+ 3
Government climate	4	22	6	- 2
Availability of serviced sites	16	10	15	+ 1

Summary of Findings:

	Cincinnati %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	18	28	28	-10
"Excellent place to locate today"	14	12	12	+ 2
"Better" business conditions in 12 months	9	28	16	- 7
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	8	26	13	- 5
The quality of life for employees	7	26	15	- 8
Easy access to domestic markets	10	21	17	- 7
Easy access to international markets	2	28	14	-12
Governmental climate	3	27	7	- 4
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	7	15	8	- 1
The quality of life for employees	10	13	10	0
Easy access to domestic markets	13	19	16	- 3
Easy access to international markets	-	30	11	-11
Easy access to raw materials	7	22	9	- 2
Government climate	5	17	6	- 1
Availability of serviced sites	20	6	15	+ 5

Summary of Findings:

	Cleveland %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	23	20	28	- 5
"Excellent place to locate today"	5	29	12	- 7
"Better" business conditions in 12 months	13	21	16	- 3
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	5	30	13	- 8
The quality of life for employees	5	29	15	-10
Easy access to domestic markets	8	28	17	- 9
Easy access to international markets	3	26	14	-11
Governmental climate	2	28	7	- 5
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	7	17	8	- 1
The quality of life for employees	6	23	10	- 4
Easy access to domestic markets	15	16	16	- 1
Easy access to international markets	2	25	11	- 9
Easy access to raw materials	7	20	9	- 2
Government climate	6	14	6	0
Availability of serviced sites	15	12	15	0

Summary of Findings:

	Columbus %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	19	25	28	- 6
"Excellent place to locate today"	16	9	12	+ 4
"Better" business conditions in 12 months	19	7	16	+ 3
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	16	5	13	+ 3
The quality of life for employees	12	17	15	- 3
Easy access to domestic markets	10	24	17	- 7
Easy access to international markets	1	29	14	-13
Governmental climate	7	15	7	0
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	5	21	8	- 3
The quality of life for employees	8	17	10	- 2
Easy access to domestic markets	8	30	16	- 8
Easy access to international markets	1	29	11	-10
Easy access to raw materials	6	25	9	- 3
Government climate	7	9	6	+ 1
Availability of serviced sites	17	9	15	+ 2

Summary of Findings:

	Dallas-Fort Worth %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	41	5	28	+13
"Excellent place to locate today"	14	11	12	+ 2
"Better" business conditions in 12 months	29	1	16	+13
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	20	3	13	+ 7
The quality of life for employees	22	6	15	+ 7
Easy access to domestic markets	31	4	17	+14
Easy access to international markets	17	10	14	+ 3
Governmental climate	16	2	7	+ 9
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	18	3	8	+10
The quality of life for employees	14	8	10	+ 4
Easy access to domestic markets	21	5	16	+ 5
Easy access to international markets	11	13	11	0
Easy access to raw materials	10	9	9	+ 1
Government climate	13	2	6	+ 7
Availability of serviced sites	25	3	15	+10

Summary of Findings:

	Denver %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	35	10	28	+ 7
"Excellent place to locate today"	8	21	12	- 4
"Better" business conditions in 12 months	26	4	16	+10
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	14	9	13	+ 1
The quality of life for employees	24	5	15	+ 9
Easy access to domestic markets	19	10	17	+ 2
Easy access to international markets	5	21	14	- 9
Governmental climate	5	22	7	- 2
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	10	6	8	+ 2
The quality of life for employees	20	2	10	+10
Easy access to domestic markets	19	8	16	+ 3
Easy access to international markets	8	18	11	- 3
Easy access to raw materials	10	10	9	+ 1
Government climate	5	16	6	- 1
Availability of serviced sites	20	5	15	+ 5

Summary of Findings:

	Houston %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	36	9	28	+ 8
"Excellent place to locate today"	8	22	12	- 4
"Better" business conditions in 12 months	29	2	16	+13
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	26	1	13	+13
The quality of life for employees	13	15	15	- 2
Easy access to domestic markets	15	12	17	- 2
Easy access to international markets	10	15	14	- 4
Governmental climate	13	3	7	+ 6
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	21	2	8	+13
The quality of life for employees	14	9	10	+ 4
Easy access to domestic markets	12	24	16	- 4
Easy access to international markets	9	14	11	- 2
Easy access to raw materials	15	1	9	+ 6
Government climate	12	3	6	+ 6
Availability of serviced sites	26	2	15	+11

Summary of Findings:

	Detroit %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	25	13	28	- 3
"Excellent place to locate today"	5	30	12	- 7
"Better" business conditions in 12 months	8	29	16	- 8
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	6	29	13	- 7
The quality of life for employees	4	30	15	-11
Easy access to domestic markets	10	22	17	- 7
Easy access to international markets	8	19	14	- 6
Governmental climate	2	30	7	- 5
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	3	29	8	- 5
The quality of life for employees	1	30	10	- 9
Easy access to domestic markets	11	27	16	- 5
Easy access to international markets	3	21	11	- 8
Easy access to raw materials	9	13	9	0
Government climate	1	30	6	- 5
Availability of serviced sites	12	24	15	- 3

Summary of Findings:

	Kansas City %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	22	23	28	- 6
"Excellent place to locate today"	6	25	12	- 6
"Better" business conditions in 12 months	15	12	16	- 1
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	14	10	13	+ 1
The quality of life for employees	17	11	15	+ 2
Easy access to domestic markets	13	16	17	- 4
Easy access to international markets	6	20	14	- 8
Governmental climate	4	26	7	- 3
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	8	10	8	0
The quality of life for employees	9	14	10	- 1
Easy access to domestic markets	18	11	16	+ 2
Easy access to international markets	7	19	11	- 4
Easy access to raw materials	12	7	9	+ 3
Government climate	8	6	6	+ 2
Availability of serviced sites	19	7	15	+ 4

Summary of Findings:

	Los Angeles %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	50	2	28	+22
"Excellent place to locate today"	19	4	12	+ 7
"Better" business conditions in 12 months	16	9	16	0
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	10	23	13	- 3
The quality of life for employees	12	18	15	- 3
Easy access to domestic markets	30	5	17	+13
Easy access to international markets	39	3	14	+25
Governmental climate	6	20	7	- 1
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	11	5	8	+ 3
The quality of life for employees	9	16	10	- 1
Easy access to domestic markets	25	3	16	+ 9
Easy access to international markets	29	3	11	+18
Easy access to raw materials	13	5	9	+ 4
Government climate	5	20	6	- 1
Availability of serviced sites	14	15	15	- 1

Summary of Findings:

	Miami %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	23	15	28	- 5
"Excellent place to locate today"	1	28	12	- 7
"Better" business conditions in 12 months	11	26	16	- 5
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	7	27	13	- 6
The quality of life for employees	8	25	15	- 7
Easy access to domestic markets	15	13	17	- 2
Easy access to international markets	27	6	14	+13
Governmental climate	6	21	7	- 1
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	7	18	8	- 1
The quality of life for employees	7	21	10	- 3
Easy access to domestic markets	14	18	16	- 2
Easy access to international markets	23	4	11	+12
Easy access to raw materials	7	24	9	- 2
Government climate	6	15	6	0
Availability of serviced sites	12	23	15	- 3

Summary of Findings:

	Milwaukee %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	19	26	28	- 9
"Excellent place to locate today"	5	27	12	- 6
"Better" business conditions in 12 months	15	13	16	- 1
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	13	14	13	0
The quality of life for employees	11	19	15	- 4
Easy access to domestic markets	9	26	17	- 8
Easy access to international markets	4	22	14	-10
Governmental climate	5	23	7	- 2
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	5	23	8	- 3
The quality of life for employees	6	22	10	- 4
Easy access to domestic markets	11	28	16	- 5
Easy access to international markets	1	28	11	-10
Easy access to raw materials	7	21	9	- 2
Government climate	9	4	6	+ 3
Availability of serviced sites	12	20	15	- 3

Summary of Findings:

	Minneapolis St. Paul %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	21	24	28	- 3
"Excellent place to locate today"	13	13	12	+ 1
"Better" business conditions in 12 months	14	17	16	- 2
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	13	13	13	0
The quality of life for employees	22	7	15	+ 7
Easy access to domestic markets	11	19	17	- 6
Easy access to international markets	3	25	14	-11
Governmental climate	8	12	7	+ 1
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	6	19	8	- 2
The quality of life for employees	18	3	10	+ 8
Easy access to domestic markets	13	20	16	- 3
Easy access to international markets	1	27	11	-10
Easy access to raw materials	8	19	9	- 1
Government climate	6	13	6	0
Availability of serviced sites	13	17	15	- 2

Summary of Findings:

	New Orleans %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	23	17	28	- 5
"Excellent place to locate today"	5	26	12	- 7
"Better" business conditions in 12 months	16	11	16	0
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	11	20	13	- 2
The quality of life for employees	9	23	15	- 6
Easy access to domestic markets	12	18	17	- 5
Easy access to international markets	12	13	14	- 2
Governmental climate	7	16	7	0
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	4	27	8	- 4
The quality of life for employees	7	20	10	- 3
Easy access to domestic markets	13	21	16	- 3
Easy access to international markets	13	11	11	+ 2
Easy access to raw materials	10	11	9	+ 1
Government climate	4	21	6	- 2
Availability of serviced sites	13	19	15	- 2

Summary of Findings:

	New York %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	54	1	28	+26
"Excellent place to locate today"	18	7	12	+ 6
"Better" business conditions in 12 months	10	27	16	- 6
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	11	21	13	- 2
The quality of life for employees	9	24	15	- 6
Easy access to domestic markets	39	3	17	+22
Easy access to international markets	51	1	14	+37
Governmental climate	2	29	7	- 5
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	3	30	8	- 5
The quality of life for employees	4	27	10	- 6
Easy access to domestic markets	21	7	16	+ 5
Easy access to international markets	33	1	11	+22
Easy access to raw materials	14	3	9	+ 5
Government climate	3	27	6	- 3
Availability of serviced sites	10	29	15	- 5

Summary of Findings:

	Norfolk %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	12	30	28	-16
"Excellent place to locate today"	7	23	12	- 5
"Better" business conditions in 12 months	12	22	16	- 4
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	12	18	13	- 1
The quality of life for employees	6	27	15	- 9
Easy access to domestic markets	4	30	17	-13
Easy access to international markets	3	23	14	-11
Governmental climate	8	9	7	+ 1
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	5	22	8	- 3
The quality of life for employees	3	28	10	- 7
Easy access to domestic markets	10	29	16	- 6
Easy access to international markets	2	22	11	- 9
Easy access to raw materials	1	30	9	- 8
Government climate	3	24	6	- 3
Availability of serviced sites	12	22	15	- 3

Summary of Findings:

	Philadelphia %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	28	11	28	0
"Excellent place to locate today"	10	17	12	- 2
"Better" business conditions in 12 months	7	30	16	- 9
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	9	25	13	- 4
The quality of life for employees	9	22	15	- 6
Easy access to domestic markets	12	17	17	- 5
Easy access to international markets	11	14	14	- 3
Governmental climate	6	19	7	- 1
Locating Manufacturing, Warehouse, Or Distribution Facilities "Excellent" on:				
The cost and availability of labor	4	26	8	- 4
The quality of life for employees	5	25	10	- 5
Easy access to domestic markets	12	22	16	- 4
Easy access to international markets	8	17	11	- 3
Easy access to raw materials	5	28	9	- 4
Government climate	3	26	6	- 3
Availability of serviced sites	12	21	15	- 3

Summary of Findings:

	Phoenix %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	23	16	28	- 5
"Excellent place to locate today"	12	15	12	0
"Better" business conditions in 12 months	15	15	16	- 1
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	17	4	13	+ 4
The quality of life for employees	18	10	15	+ 3
Easy access to domestic markets	9	25	17	- 8
Easy access to international markets	3	27	14	-11
Governmental climate	10	4	7	+ 3
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	11	4	8	+ 3
The quality of life for employees	15	7	10	+ 5
Easy access to domestic markets	15	14	16	- 1
Easy access to international markets	2	23	11	- 9
Easy access to raw materials	3	29	9	- 6
Government climate	7	8	6	+ 1
Availability of serviced sites	15	11	15	0

Summary of Findings:

	Pittsburgh %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	22	21	28	- 6
"Excellent place to locate today"	13	14	12	+ 1
"Better" business conditions in 12 months	13	20	16	- 3
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	13	15	13	0
The quality of life for employees	10	20	15	- 5
Easy access to domestic markets	10	23	17	-17
Easy access to international markets	9	16	14	- 5
Governmental climate	8	10	7	+ 1
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	8	11	8	0
The quality of life for employees	5	26	10	- 5
Easy access to domestic markets	12	23	16	- 4
Easy access to international markets	2	24	11	- 9
Easy access to raw materials	9	12	9	0
Government climate	5	19	6	- 1
Availability of serviced sites	9	30	15	- 6

Summary of Findings:

	Portland OR %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	18	27	28	-10
"Excellent place to locate today"	8	20	12	- 4
"Better" business conditions in 12 months	15	14	16	- 1
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	10	22	13	- 3
The quality of life for employees	21	9	15	+ 6
Easy access to domestic markets	9	27	17	- 8
Easy access to international markets	8	18	14	- 6
Governmental climate	7	13	7	0
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	8	12	8	0
The quality of life for employees	12	12	10	+ 2
Easy access to domestic markets	12	26	16	- 4
Easy access to international markets	9	16	11	- 2
Easy access to raw materials	9	16	9	0
Government climate	8	7	6	+ 2
Availability of serviced sites	13	18	15	- 2

Summary of Findings:

	Sacramento %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	17	29	28	-11
"Excellent place to locate today"	8	18	12	- 4
"Better" business conditions in 12 months	16	8	16	0
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	9	24	13	- 4
The quality of life for employees	15	14	15	0
Easy access to domestic markets	7	29	17	-10
Easy access to international markets	-	30	14	-14
Governmental climate	6	18	7	- 1
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	7	16	8	- 1
The quality of life for employees	13	11	10	+ 3
Easy access to domestic markets	16	12	16	0
Easy access to international markets	3	20	11	- 8
Easy access to raw materials	7	23	9	- 2
Government climate	9	5	6	+ 3
Availability of serviced sites	21	4	15	+ 6

Summary of Findings:

	St. Louis %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	23	19	28	- 5
"Excellent place to locate today"	6	24	12	- 6
"Better" business conditions in 12 months	12	23	16	- 4
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	6	28	13	- 7
The quality of life for employees	6	28	15	- 9
Easy access to domestic markets	16	11	17	- 1
Easy access to international markets	3	24	14	-11
Governmental climate	7	14	7	0
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	4	25	8	- 4
The quality of life for employees	2	29	10	- 8
Easy access to domestic markets	21	6	16	+ 5
Easy access to international markets	1	26	11	-10
Easy access to raw materials	8	18	9	- 1
Government climate	5	18	6	- 1
Availability of serviced sites	11	25	15	- 4

Summary of Findings:

	San Diego %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	28	12	28	0
"Excellent place to locate today"	19	2	12	+ 7
"Better" business conditions in 12 months	27	3	16	+11
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	16	7	13	+ 3
The quality of life for employees	31	2	15	+16
Easy access to domestic markets	14	14	17	- 3
Easy access to international markets	15	12	14	+ 1
Governmental climate	9	8	7	+ 2
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	8	13	8	0
The quality of life for employees	17	4	10	+ 7
Easy access to domestic markets	15	15	16	- 1
Easy access to international markets	16	8	11	+ 5
Easy access to raw materials	9	14	9	0
Government climate	7	10	6	+ 1
Availability of serviced sites	18	8	15	+ 3

Summary of Findings:

	San Francisco %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	39	7	28	+11
"Excellent place to locate today"	17	8	12	+ 5
"Better" business conditions in 12 months	12	25	16	- 4
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	12	19	13	- 1
The quality of life for employees	22	8	15	+ 7
Easy access to domestic markets	28	7	17	+11
Easy access to international markets	39	2	14	+25
Governmental climate	8	11	7	+ 1
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	9	9	8	+ 1
The quality of life for employees	14	10	10	+ 4
Easy access to domestic markets	23	4	16	+ 7
Easy access to international markets	30	2	11	+19
Easy access to raw materials	14	2	9	+ 5
Government climate	7	11	6	+ 1
Availability of serviced sites	14	16	15	- 1

Summary of Findings:

	Seattle %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	23	18	28	- 5
"Excellent place to locate today"	11	16	12	- 1
"Better" business conditions in 12 months	14	18	16	- 2
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	12	16	13	- 1
The quality of life for employees	26	3	15	+11
Easy access to domestic markets	13	15	17	- 4
Easy access to international markets	18	9	14	+ 4
Governmental climate	9	7	7	+ 2
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	10	7	8	+ 2
The quality of life for employees	17	5	10	+ 7
Easy access to domestic markets	15	13	16	- 1
Easy access to international markets	20	6	11	+ 9
Easy access to raw materials	12	8	9	+ 3
Government climate	6	12	6	0
Availability of serviced sites	14	14	15	- 1

Summary of Findings:

	Tampa %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	25	14	28	- 3
"Excellent place to locate today"	19	3	12	+ 7
"Better" business conditions in 12 months	22	6	16	+ 6
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	16	6	13	+ 3
The quality of life for employees	16	13	15	+ 1
Easy access to domestic markets	11	20	17	- 6
Easy access to international markets	8	17	14	- 6
Governmental climate	10	5	7	+ 3
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	9	8	8	+ 1
The quality of life for employees	8	18	10	- 2
Easy access to domestic markets	12	25	16	- 4
Easy access to international markets	9	15	11	- 2
Easy access to raw materials	6	26	9	- 3
Government climate	3	25	6	- 3
Availability of serviced sites	10	27	15	- 5

Summary of Findings:

	Washington DC %	Rank In 30 #	30-City Average %	Difference #
Overall				
"Very familiar"	41	6	28	+13
"Excellent place to locate today"	15	10	12	+ 3
"Better" business conditions in 12 months	14	19	16	- 2
Locating Office Facilities				
"Excellent" on:				
The cost and availability of labor	14	12	13	+ 1
The quality of life for employees	17	12	15	+ 2
Easy access to domestic markets	25	8	17	+ 8
Easy access to international markets	28	5	14	+14
Governmental climate	5	24	7	- 2
Locating Manufacturing, Warehouse, Or Distribution Facilities				
"Excellent" on:				
The cost and availability of labor	5	24	8	- 3
The quality of life for employees	6	24	10	- 4
Easy access to domestic markets	14	17	16	- 2
Easy access to international markets	13	12	11	+ 2
Easy access to raw materials	6	27	9	- 3
Government climate	2	29	6	- 4
Availability of serviced sites	10	28	15	- 5

APPENDIX A: RESEARCH METHOD

How the Survey Was Conducted

From April 8 through May 1, 1986, Louis Harris and Associates interviewed 403 chief executive officers or their designees at companies nationwide with revenues of $250 million or over. These interviews constitute a representative sampling of publicly- and privately-held companies listed in Dun & Bradstreet, including both service and industrial organizations but systematically excluding nonprofit organizations, government entities, and for-profit hospitals, schools, and colleges.

Size quotas were set so that a nearly equal number of interviews were completed among smaller companies with under $1 billion in revenues and larger companies with $1 billion and over. The purpose of this procedure was to ensure a statistically readable base of companies in the upper size category, which represent only 30% of the universe of all organizations meeting the inclusion criteria with $250 million or more in revenues.

When the results were tabulated, statistical weights were applied to the data so that the reading in total (or for segments other than revenue size) are projectable to the universe. The table that follows profiles the sample of CEOs:

Table A-1

PROFILE OF THE SAMPLE

	Total
Base	403
	%
Size by Revenues	
Total Under $1 Billion	70
Less than $500 million	41
At least $500 million but less than $1 billion	30
Total $1 Billion and Over	30
At least $1 billion but less than $1.5 billion	9
$1.5 billion and over	21
Region	
East	36
South	23
Midwest	25
West	15
Industry	
Manufacturing	28
Wholesale/retail	16
Finance/insurance/real estate	28

All interviews were conducted in-person by Harris executive interviewers. Interviews lasted an average of 30 minutes each.

Sampling Error

The results from any sample survey are subject to sampling error. Sampling error has been defined as the difference between the results obtained from the sample and those that would have been obtained had the entire population been surveyed. For a sample of 400, one can say with 95% certainty that a result of 50% has a statistical precision of plus or minus 5 percentage points.

APPENDIX B: THE QUESTIONNAIRE

LOUIS HARRIS AND ASSOCIATES, INC.
630 Fifth Avenue
New York, New York 10111

FOR OFFICE USE ONLY:

Questionnaire No.:____________

5-6-7-8

Study No. 871010

March 26, 1987

Sample Point No./ / / / / / / /
10-11-12-13-14-15-16-

Time Started:_______A.M./P.M.

Interviewer:_________________________ I.D. No.:_____ Date:______________

Respondent's Name: ______________________________

Respondent's Title: ______________________________

Name of Corporation: ______________________________

Address: ______________________________

Area Code: _______________Telephone No.: ______________________(17-26)

RESPONDENT INTRODUCTION:

Hello, I'm _______________calling from Louis Harris and Associates, the national opinion research organization. As you know from Mr. Harris's letter, we're conducting a survey called the Business Real Estate Monitor, which will track the opinions of high-level executives like yourself on issues having to do with corporate real estate decision making. Of course neither your name nor the name of your organization will be revealed to the public or even to the survey sponsor. All results will be reported in aggregate statistical form only. Your participation will go a long way towards making the survey a success. We'll be happy to send you a short summary of the results after the survey is completed.

INTERVIEWER: RECORD FROM SAMPLE CARD:

REVENUE SIZE: $ / / / / , / / / / , / / / / ,000
(27-35)

SIC: / / / / /
(36-39)

SIZE OF PLACE OF HEADQUARTER LOCATION:

Urban............(40(____-1
Suburban.............____-2
Small town or rural..____-3

A. Is your organization involved in wholesale, retail, or manufacturing operations, or not?

Involved in wholesale/retail/manufacturing......(41(____-1
Not involved in wholesale/retail/manufacturing......____-2

1a. To begin, I'd like to ask you a few questions about the economy and your industry. Twelve months from now, do you expect that the rate of inflation will be much higher, somewhat higher, about the same, somewhat lower, or much lower than it is today?

Much higher............(42(____-1
Somewhat higher.............____-2
About the same..............____-3
Somewhat lower..............____-4
Much lower..................____-5
Not sure....................____-6

1b. Twelve months from now, do you expect that long-term interest rates will be much higher, somewhat higher, about the same, somewhat lower, or much lower than they are today?

Much higher............(43(____-1
Somewhat higher.............____-2
About the same..............____-3
Somewhat lower..............____-4
Much lower..................____-5
Not sure....................____-6

1c. What about wage rates twelve months from now -- do you think they'll be much higher, somewhat higher, about the same, somewhat lower, or much lower than they are today?

Much higher............(44(____-1
Somewhat higher.............____-2
About the same..............____-3
Somewhat lower..............____-4
Much lower..................____-5
Not sure....................____-6

1d. How about price levels in your industry -- twelve months from now do you predict they'll be much higher, somewhat higher, about the same, somewhat lower, or much lower than they are today?

Much higher............(45(____-1
Somewhat higher.............____-2
About the same..............____-3
Somewhat lower..............____-4
Much lower..................____-5
Not sure....................____-6

1e. Twelve months from now, do you think market conditions in your industry will be much better, somewhat better, about the same, somewhat worse, or much worse than they are today?

Much better............(46____-1
Somewhat better.............____-2
About the same..............____-3
Somewhat worse..............____-4
Much worse..................____-5
Not sure....................____-6

2a. Generally speaking, would you say most of your organization's office facilities today are in urban areas, suburban areas, or small town or rural areas?
SINGLE RECORD BELOW

2b. Over the next five years, where do you expect your organization to locate most of its new office facilities -- would that be mainly in urban areas, mainly in suburban areas, or mainly in small town or rural areas? SINGLE RECORD BELOW

	2a. Today	Over the 2b. next 5 yrs.
Urban areas	(47(____-1	(48(____-1
Suburban areas	____-2	____-2
Small town or rural areas	____-3	____-3
Combination (vol.)	____-4	____-4
Not applicable (vol.)	____-5	____-5
Not sure	____-6	____-6

ASK Q.2c ONLY OF THOSE RESPONDENTS BOXED IN Q.2b. SKIP OTHERS TO INSTRUCTIONS ABOVE Q.3a

2c. And which types of office facilities would you expect these to be -- a head office, a branch office, a back office facility or processing center, a sales office, or what?
MULTIPLE RECORD BELOW

Head office	(49(____-1
Branch office	____-2
Back office/processing	____-3
Sales office	____-4
Other (SPECIFY): ________________________	____-5
Not sure	____-6

ASK ONLY IF INVOLVED IN WHOLESALE, RETAIL, OR MANUFACTURING OPERATIONS ON FACE PAGE.

3a. Generally speaking, would you say most of your organization's manufacturing, warehouse, or distribution facilities today are in urban areas, suburban areas, or small town or rural areas? SINGLE RECORD BELOW

3b. Over the next five years, where do you expect your organization to locate most of its new manufacturing, warehouse, or distribution facilities -- would that be mainly in urban areas, suburban areas, or mainly in small town or rural areas? SINGLE RECORD BELOW

	3a. Today	Over the 3b. next 5 yrs.
Urban areas...................	(50(____-1	(51(____-1
Suburban areas.....................	____-2	____-2
Small town or rural areas.........	____-3	____-3
Combination (vol.)................	____-4	____-4
Not applicable (vol.).............	____-5	____-5
Not sure..........................	____-6	____-6

ASK Q.3c ONLY OF THOSE BOXED IN Q.3b. SKIP ALL OTHERS TO Q.4a

3c. And which types of manufacturing, warehouse, or distribution facilities would you expect these to be -- an assembly plant, a processing plant, an extraction plant, a warehouse, a distribution center, or what? MULTIPLE RECORD BELOW

Assembly plant.............(52(	____-1
Processing plant...............	____-2
Extraction plant...............	____-3
Warehouse......................	____-4
Distribution center............	____-5
Other (SPECIFY) ____________________...	____-6
Not sure.......................	____-7

ASK EVERYONE

4a. Now I'd like to discuss some of the factors corporations may consider when deciding where to locate their facilities. In thinking about locations for office facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

ROTATE -- START AT "X"	Absolutely Essential	Important but Not Essential	Not Very Important	Not at All Important	Not Sure
( ) 1. The cost and availability of labor in the area..................................	(53(___-1	___-2	___-3	___-4	___-5
( ) 2. The quality of life for employees, such as the availability of housing, transportation, and recreational facilities..................................	(54(___-1	___-2	___-3	___-4	___-5
( ) 3. Easy access to domestic markets, customers, or clients..........................	(55(___-1	___-2	___-3	___-4	___-5
( ) 4. Easy access to international markets, customers, or clients....................	(56(___-1	___-2	___-3	___-4	___-5
( ) 5. The climate state and local government creates for business through tax policy and the extent of regulation..	(57(___-1	___-2	___-3	___-4	___-5

ASK Q.4b. AND Q.4c. ONLY OF THOSE SAYING "ABSOLUTELY ESSENTIAL" OR "IMPORTANT BUT NOT ESSENTIAL" IN Q.4a. ITEM 2. SKIP OTHERS TO INSTRUCTIONS ABOVE Q.5a.
ASK Q.4b. AND Q.4c. IN SEQUENCE FOR EACH ITEM

4b. In considering the quality of life for employees when it comes to locating office facilities, how important is it that an area have (READ EACH ITEM) -- is it absolutely essential, important but not essential, not very important, or not important at all? RECORD BELOW

4c. And which type of area would you say is best on having (REPEAT EACH ITEM) -- would it be an urban area, a suburban area, or a small town or rural area? SINGLE RECORD BELOW

	Q.4b Importance					Q.4c. Area			
ROTATE -- START AT "X"	Absolutely Essential	Important but Not Essential	Not Very Important	Not at All Important	Not Sure	Urban Area	Sub-Urban Area	Small town or Rural Area	Not Sure
1. A low crime rate..................................	(58(___-1	___-2	___-3	___-4	___-5	(68(___-1	___-2	___-3	___-4
2. Good public schools..............................	(59(___-1	___-2	___-3	___-4	___-5	(69(___-1	___-2	___-3	___-4
3. Affordably-priced housing........................	(60(___-1	___-2	___-3	___-4	___-5	(70(___-1	___-2	___-3	___-4
4. Adequate public transportation....................	(61(___-1	___-2	___-3	___-4	___-5	(71(___-1	___-2	___-3	___-4
5. Enough streets and highways to handle the traffic..	(62(___-1	___-2	___-3	___-4	___-5	(72(___-1	___-2	___-3	___-4
6. Good colleges and universities....................	(63(___-1	___-2	___-3	___-4	___-5	(73(___-1	___-2	___-3	___-4
7. Good recreational facilities such as parks and playgrounds..................................	(64(___-1	___-2	___-3	___-4	___-5	(74(___-1	___-2	___-3	___-4
8. Good cultural facilities such as museums and theatres..................................	((___-1	___-2	___-3	___-4	___-5	(75(___-1	___-2	___-3	___-4
9. State and local taxes that aren't burdensome to employees..................................	((___-1	___-2	___-3	___-4	___-5	(76(___-1	___-2	___-3	___-4
10. A good social climate for people like yourself.....	((___-1	___-2	___-3	___-4	___-5	(77(___-1	___-2	___-3	___-4

ASK Q.5a IF WHOLESALE, RETAIL, OR MANUFACTURING COMPANY ON FACE SHEET -- SKIP OTHERS TO Q.6.

5a. And, in thinking about locations for manufacturing, warehouse, or distribution facilities, how important to companies such as yours is (READ EACH ITEM) -- absolutely essential, important but not essential, not very important, or not at all important?

ROTATE -- START AT "X"	Absolutely Essential	Important but Not Essential	Not Very Important	Not at All Important	Not Sure
( ) 1. The cost and availability of labor in the area..................................	(78(___-1	___-2	___-3	___-4	___-5
( ) 2. The quality of life for employees, such as the availability of housing, transportation, and recreational facilities..................................	(79(___-1	___-2	___-3	___-4	___-5
( ) 3. Easy access to domestic markets, customers, or clients..................	(80(___-1	___-2	___-3	___-4	___-5
( ) 4. Easy access to international markets, customers or clients.................2*...	(10(___-1	___-2	___-3	___-4	___-5
( ) 5. Easy access to raw materials..................................	(11(___-1	___-2	___-3	___-4	___-5
( ) 6. The climate state and local government creates for business through tax policy, and the extent of regulation..................................	(12(___-1	___-2	___-3	___-4	___-5
( ) 7. The availability sites with existing electricity, water, sewage, and roads......	(13(___-1	___-2	___-3	___-4	___-5

ASK Q.5b. AND Q.5c. ONLY OF THOSE SAYING "ABSOLUTELY ESSENTIAL" OR "IMPORTANT BUT NOT ESSENTIAL" IN Q.5a. ITEM 2. SKIP OTHERS TO Q.6. ASK Q.5b. AND Q.5c. IN SEQUENCE FOR EACH ITEM

5b. In considering the quality of life for employees when it comes to locating manufacturing, warehouse, or distribution facilities, how important is it that an area have (READ EACH ITEM) -- is it absolutely essential, important but not essential, not very important, or not important at all? RECORD BELOW

5c. And which type of area would you say is best on having (REPEAT EACH ITEM) -- would it be an urban area, a suburban area, or a small town or rural area? SINGLE RECORD BELOW

	Q.5b Importance					Q.5c Area			
ROTATE -- START AT "X"	Absolutely Essential	Important but Not Essential	Not Very Important	Not at All Important	Not Sure	Urban Area	Sub-Urban Area	Small town or Rural Area	Not Sure
1. A low crime rate..................................	(14(___-1	___-2	___-3	___-4	___-5	(24(___-1	___-2	___-3	___-4
2. Good public schools..................................	(15(___-1	___-2	___-3	___-4	___-5	(25(___-1	___-2	___-3	___-4
3. Affordably-priced housing..........................	(16(___-1	___-2	___-3	___-4	___-5	(26(___-1	___-2	___-3	___-4
4. Adequate public transportation....................	(17(___-1	___-2	___-3	___-4	___-5	(27(___-1	___-2	___-3	___-4
5. Enough streets and highways to handle the traffic..	(18(___-1	___-2	___-3	___-4	___-5	(28(___-1	___-2	___-3	___-4
6. Good colleges and universities....................	(19(___-1	___-2	___-3	___-4	___-5	(29(___-1	___-2	___-3	___-4
7. Good recreational facilities such as parks and playgrounds..................................	(20(___-1	___-2	___-3	___-4	___-5	(30(___-1	___-2	___-3	___-4
8. Good cultural facilities such as museums and theatres..................................	(21(___-1	___-2	___-3	___-4	___-5	(31(___-1	___-2	___-3	___-4
9. State and local taxes that aren't burdensome to employees..................................	(22(___-1	___-2	___-3	___-4	___-5	(32(___-1	___-2	___-3	___-4
10. A good social climate for people like yourself.....	(23(___-1	___-2	___-3	___-4	___-5	(33(___-1	___-2	___-3	___-4

ASK EVERYONE -- HAND RESPONDENT CARD A

6a. Now I'd like to ask you about several specific locations around the country. With which of these metropolitan areas and their suburbs do you consider yourself "very familiar" as a business location, either because you have a facility there, or because of business relationships, or because of something you've read or heard? You can just call off the numbers. MULTIPLE RECORD BELOW

6b. Of the remaining areas on the list, with which do you consider yourself familiar as a business location on the basis of things you've heard or read? You can just call off the numbers. MULTIPLE RECORD BELOW

6c. May I assume that you consider yourself unfamiliar with the remaining areas on the list as business locations?

Yes..........(34(____-1 ASK Q.7a. PROBE FOR REMAINING AREAS WITH WHICH RESPONDENT IS "VERY FAMILIAR" OR "FAMILIAR" AND RECORD APPROPRIATELY.
No...............XXXX

EACH AREA SHOULD HAVE AN "X", BUT ONLY ONE "X" IN THE GRID TO THE RIGHT OF THE AREA LIST.

	Q.6a	Q.6b	Q.6c	
	Very Familiar	Familiar But Not Very Familiar	Not Familiar	Not Sure
1. Atlanta...............(35(	____-1	____-2	____-3	____-4
2. Baltimore.............(36(	____-1	____-2	____-3	____-4
3. Boston................(37(	____-1	____-2	____-3	____-4
4. Chicago...............(38(	____-1	____-2	____-3	____-4
5. Cincinnati............(39(	____-1	____-2	____-3	____-4
6. Cleveland.............(40(	____-1	____-2	____-3	____-4
7. Columbus..............(41(	____-1	____-2	____-3	____-4
8. Dallas-Fort Worth.....(42(	____-1	____-2	____-3	____-4
9. Denver................(43(	____-1	____-2	____-3	____-4
10. Detroit..............(44(	____-1	____-2	____-3	____-4
11. Houston..............(45(	____-1	____-2	____-3	____-4
12. Kansas City..........(46(	____-1	____-2	____-3	____-4
13. Los Angeles..........(47(	____-1	____-2	____-3	____-4
14. Miami................(48(	____-1	____-2	____-3	____-4
15. Milwaukee............(49(	____-1	____-2	____-3	____-4
16. Minneapolis-St. Paul..(50(	____-1	____-2	____-3	____-4
17. New Orleans..........(51(	____-1	____-2	____-3	____-4
18. New York.............(52(	____-1	____-2	____-3	____-4
19. Norfolk..............(53(	____-1	____-2	____-3	____-4
20. Philadelphia.........(54(	____-1	____-2	____-3	____-4
21. Phoenix..............(55(	____-1	____-2	____-3	____-4
22. Pittsburgh...........(56(	____-1	____-2	____-3	____-4
23. Portland, OR.........(57(	____-1	____-2	____-3	____-4
24. Sacramento...........(58(	____-1	____-2	____-3	____-4
25. St. Louis............(59(	____-1	____-2	____-3	____-4
26. San Diego............(60(	____-1	____-2	____-3	____-4
27. San Francisco........(61(	____-1	____-2	____-3	____-4
28. Seattle..............(62(	____-1	____-2	____-3	____-4
29. Tampa................(63(	____-1	____-2	____-3	____-4
30. Washington, D.C.......(64(	____-1	____-2	____-3	____-4

ASK Q.7a THROUGH Q.8g ONLY FOR THOSE AREAS WITH WHICH RESPONDENT IS "VERY FAMILIAR" OR "FAMILIAR" IN Q.6

7a. In terms of general business conditions as they relate to companies such as yours, how would you rate the (READ EACH ITEM AS APPROPRIATE) area as a place to locate a business today -- excellent, very good, only fair, or poor? RECORD BELOW

7b. And if you had to say, do you think general business conditions there twelve months from now will be better, worse, or about the same as they are now?

	Q.7a					Q.7b			
	Excellent	Very Good	Only Fair	Poor	Not Sure	Better	Worse	Same	Not Sure
1. Atlanta..............(65(	___-1	___-2	___-3	___-4	___-5	(24(___-1	___-2	___-3	___-4
2. Baltimore............(66(	___-1	___-2	___-3	___-4	___-5	(25(___-1	___-2	___-3	___-4
3. Boston...............(67(	___-1	___-2	___-3	___-4	___-5	(26(___-1	___-2	___-3	___-4
4. Chicago..............(68(	___-1	___-2	___-3	___-4	___-5	(27(___-1	___-2	___-3	___-4
5. Cincinnati...........(69(	___-1	___-2	___-3	___-4	___-5	(28(___-1	___-2	___-3	___-4
6. Cleveland............(70(	___-1	___-2	___-3	___-4	___-5	(29(___-1	___-2	___-3	___-4
7. Columbus.............(71(	___-1	___-2	___-3	___-4	___-5	(30(___-1	___-2	___-3	___-4
8. Dallas-Fort Worth.....(72(	___-1	___-2	___-3	___-4	___-5	(31(___-1	___-2	___-3	___-4
9. Denver...............(73(	___-1	___-2	___-3	___-4	___-5	(32(___-1	___-2	___-3	___-4
10. Detroit..............(74(	___-1	___-2	___-3	___-4	___-5	(33(___-1	___-2	___-3	___-4
11. Houston..............(75(	___-1	___-2	___-3	___-4	___-5	(34(___-1	___-2	___-3	___-4
12. Kansas City..........(76(	___-1	___-2	___-3	___-4	___-5	(35(___-1	___-2	___-3	___-4
13. Los Angeles..........(77(	___-1	___-2	___-3	___-4	___-5	(36(___-1	___-2	___-3	___-4
14. Miami................(78(	___-1	___-2	___-3	___-4	___-5	(37(___-1	___-2	___-3	___-4
15. Milwaukee............(79(	___-1	___-2	___-3	___-4	___-5	(38(___-1	___-2	___-3	___-4
16. Minneapolis-St. Paul..(80(	___-1	___-2	___-3	___-4	___-5	(39(___-1	___-2	___-3	___-4
17. New Orleans........3*.(10(	___-1	___-2	___-3	___-4	___-5	(40(___-1	___-2	___-3	___-4
18. New York.............(11(	___-1	___-2	___-3	___-4	___-5	(41(___-1	___-2	___-3	___-4
19. Norfolk..............(12(	___-1	___-2	___-3	___-4	___-5	(42(___-1	___-2	___-3	___-4
20. Philadelphia.........(13(	___-1	___-2	___-3	___-4	___-5	(43(___-1	___-2	___-3	___-4
21. Phoenix..............(14(	___-1	___-2	___-3	___-4	___-5	(44(___-1	___-2	___-3	___-4
22. Pittsburgh...........(15(	___-1	___-2	___-3	___-4	___-5	(45(___-1	___-2	___-3	___-4
23. Portland, OR.........(16(	___-1	___-2	___-3	___-4	___-5	(46(___-1	___-2	___-3	___-4
24. Sacramento...........(17(	___-1	___-2	___-3	___-4	___-5	(47(___-1	___-2	___-3	___-4
25. St. Louis............(18(	___-1	___-2	___-3	___-4	___-5	(48(___-1	___-2	___-3	___-4
26. San Diego............(19(	___-1	___-2	___-3	___-4	___-5	(49(___-1	___-2	___-3	___-4
27. San Francisco........(20(	___-1	___-2	___-3	___-4	___-5	(50(___-1	___-2	___-3	___-4
28. Seattle..............(21(	___-1	___-2	___-3	___-4	___-5	(51(___-1	___-2	___-3	___-4
29. Tampa................(22(	___-1	___-2	___-3	___-4	___-5	(52(___-1	___-2	___-3	___-4
30. Washington, D.C.......(23(	___-1	___-2	___-3	___-4	___-5	(53(___-1	___-2	___-3	___-4

7c. When it comes to locating office facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on the cost and availability of labor in the area -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta...............(54(	____-1	____-2	____-3	____-4	____-5
2. Baltimore.............(55(	____-1	____-2	____-3	____-4	____-5
3. Boston................(56(	____-1	____-2	____-3	____-4	____-5
4. Chicago...............(57(	____-1	____-2	____-3	____-4	____-5
5. Cincinnati............(58(	____-1	____-2	____-3	____-4	____-5
6. Cleveland.............(59(	____-1	____-2	____-3	____-4	____-5
7. Columbus..............(60(	____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....(61(	____-1	____-2	____-3	____-4	____-5
9. Denver................(62(	____-1	____-2	____-3	____-4	____-5
10. Detroit...............(63(	____-1	____-2	____-3	____-4	____-5
11. Houston...............(64(	____-1	____-2	____-3	____-4	____-5
12. Kansas City...........(65(	____-1	____-2	____-3	____-4	____-5
13. Los Angeles...........(66(	____-1	____-2	____-3	____-4	____-5
14. Miami.................(67(	____-1	____-2	____-3	____-4	____-5
15. Milwaukee.............(68(	____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..(69(	____-1	____-2	____-3	____-4	____-5
17. New Orleans...........(70(	____-1	____-2	____-3	____-4	____-5
18. New York..............(71(	____-1	____-2	____-3	____-4	____-5
19. Norfolk...............(72(	____-1	____-2	____-3	____-4	____-5
20. Philadelphia..........(73(	____-1	____-2	____-3	____-4	____-5
21. Phoenix...............(74(	____-1	____-2	____-3	____-4	____-5
22. Pittsburgh............(75(	____-1	____-2	____-3	____-4	____-5
23. Portland, OR..........(76(	____-1	____-2	____-3	____-4	____-5
24. Sacramento............(77(	____-1	____-2	____-3	____-4	____-5
25. St. Louis.............(78(	____-1	____-2	____-3	____-4	____-5
26. San Diego.............(79(	____-1	____-2	____-3	____-4	____-5
27. San Francisco.........(80(	____-1	____-2	____-3	____-4	____-5
28. Seattle...........4*.(10(	____-1	____-2	____-3	____-4	____-5
29. Tampa.................(11(	____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......(12(	____-1	____-2	____-3	____-4	____-5

7d. When it comes to locating office facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on the quality of life for employees, such as the availablity of housing, transportation, and recreational facilities -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta..............(13(	____-1	____-2	____-3	____-4	____-5
2. Baltimore............(14(	____-1	____-2	____-3	____-4	____-5
3. Boston...............(15(	____-1	____-2	____-3	____-4	____-5
4. Chicago..............(16(	____-1	____-2	____-3	____-4	____-5
5. Cincinnati...........(17(	____-1	____-2	____-3	____-4	____-5
6. Cleveland............(18(	____-1	____-2	____-3	____-4	____-5
7. Columbus.............(19(	____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....(20(	____-1	____-2	____-3	____-4	____-5
9. Denver...............(21(	____-1	____-2	____-3	____-4	____-5
10. Detroit..............(22(	____-1	____-2	____-3	____-4	____-5
11. Houston..............(23(	____-1	____-2	____-3	____-4	____-5
12. Kansas City..........(24(	____-1	____-2	____-3	____-4	____-5
13. Los Angeles..........(25(	____-1	____-2	____-3	____-4	____-5
14. Miami................(26(	____-1	____-2	____-3	____-4	____-5
15. Milwaukee............(27(	____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..(28(	____-1	____-2	____-3	____-4	____-5
17. New Orleans..........(29(	____-1	____-2	____-3	____-4	____-5
18. New York.............(30(	____-1	____-2	____-3	____-4	____-5
19. Norfolk..............(31(	____-1	____-2	____-3	____-4	____-5
20. Philadelphia.........(32(	____-1	____-2	____-3	____-4	____-5
21. Phoenix..............(33(	____-1	____-2	____-3	____-4	____-5
22. Pittsburgh...........(34(	____-1	____-2	____-3	____-4	____-5
23. Portland, OR.........(35(	____-1	____-2	____-3	____-4	____-5
24. Sacramento...........(36(	____-1	____-2	____-3	____-4	____-5
25. St. Louis............(37(	____-1	____-2	____-3	____-4	____-5
26. San Diego............(38(	____-1	____-2	____-3	____-4	____-5
27. San Francisco........(39(	____-1	____-2	____-3	____-4	____-5
28. Seattle..............(40(	____-1	____-2	____-3	____-4	____-5
29. Tampa................(41(	____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......(42(	____-1	____-2	____-3	____-4	____-5

7e. When it comes to locating office facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on having easy access to domestic markets, customers, or clients -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta..............(43(	____-1	____-2	____-3	____-4	____-5
2. Baltimore............(44(	____-1	____-2	____-3	____-4	____-5
3. Boston...............(45(	____-1	____-2	____-3	____-4	____-5
4. Chicago..............(46(	____-1	____-2	____-3	____-4	____-5
5. Cincinnati...........(47(	____-1	____-2	____-3	____-4	____-5
6. Cleveland............(48(	____-1	____-2	____-3	____-4	____-5
7. Columbus.............(49(	____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....(50(	____-1	____-2	____-3	____-4	____-5
9. Denver...............(51(	____-1	____-2	____-3	____-4	____-5
10. Detroit..............(52(	____-1	____-2	____-3	____-4	____-5
11. Houston..............(53(	____-1	____-2	____-3	____-4	____-5
12. Kansas City..........(54(	____-1	____-2	____-3	____-4	____-5
13. Los Angeles..........(55(	____-1	____-2	____-3	____-4	____-5
14. Miami................(56(	____-1	____-2	____-3	____-4	____-5
15. Milwaukee............(57(	____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..(58(	____-1	____-2	____-3	____-4	____-5
17. New Orleans..........(59(	____-1	____-2	____-3	____-4	____-5
18. New York.............(60(	____-1	____-2	____-3	____-4	____-5
19. Norfolk..............(61(	____-1	____-2	____-3	____-4	____-5
20. Philadelphia.........(62(	____-1	____-2	____-3	____-4	____-5
21. Phoenix..............(63(	____-1	____-2	____-3	____-4	____-5
22. Pittsburgh...........(64(	____-1	____-2	____-3	____-4	____-5
23. Portland, OR.........(65(	____-1	____-2	____-3	____-4	____-5
24. Sacramento...........(66(	____-1	____-2	____-3	____-4	____-5
25. St. Louis............(67(	____-1	____-2	____-3	____-4	____-5
26. San Diego............(68(	____-1	____-2	____-3	____-4	____-5
27. San Francisco........(69(	____-1	____-2	____-3	____-4	____-5
28. Seattle..............(70(	____-1	____-2	____-3	____-4	____-5
29. Tampa................(71(	____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......(72(	____-1	____-2	____-3	____-4	____-5

7f. When it comes to locating office facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on having easy access to international markets, customers, or clients -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta...............	(73(____-1	____-2	____-3	____-4	____-5
2. Baltimore.............	(74(____-1	____-2	____-3	____-4	____-5
3. Boston................	(75(____-1	____-2	____-3	____-4	____-5
4. Chicago...............	(76(____-1	____-2	____-3	____-4	____-5
5. Cincinnati............	(77(____-1	____-2	____-3	____-4	____-5
6. Cleveland.............	(78(____-1	____-2	____-3	____-4	____-5
7. Columbus..............	(79(____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....	(80(____-1	____-2	____-3	____-4	____-5
9. Denver............5*..	(10(____-1	____-2	____-3	____-4	____-5
10. Detroit..............	(11(____-1	____-2	____-3	____-4	____-5
11. Houston..............	(12(____-1	____-2	____-3	____-4	____-5
12. Kansas City..........	(13(____-1	____-2	____-3	____-4	____-5
13. Los Angeles..........	(14(____-1	____-2	____-3	____-4	____-5
14. Miami................	(15(____-1	____-2	____-3	____-4	____-5
15. Milwaukee............	(16(____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..	(17(____-1	____-2	____-3	____-4	____-5
17. New Orleans..........	(18(____-1	____-2	____-3	____-4	____-5
18. New York.............	(19(____-1	____-2	____-3	____-4	____-5
19. Norfolk..............	(20(____-1	____-2	____-3	____-4	____-5
20. Philadelphia.........	(21(____-1	____-2	____-3	____-4	____-5
21. Phoenix..............	(22(____-1	____-2	____-3	____-4	____-5
22. Pittsburgh...........	(23(____-1	____-2	____-3	____-4	____-5
23. Portland, OR.........	(24(____-1	____-2	____-3	____-4	____-5
24. Sacramento...........	(25(____-1	____-2	____-3	____-4	____-5
25. St. Louis............	(26(____-1	____-2	____-3	____-4	____-5
26. San Diego............	(27(____-1	____-2	____-3	____-4	____-5
27. San Francisco........	(28(____-1	____-2	____-3	____-4	____-5
28. Seattle..............	(29(____-1	____-2	____-3	____-4	____-5
29. Tampa................	(30(____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......	(31(____-1	____-2	____-3	____-4	____-5

7 g. When it comes to locating office facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on the climate state and local government creates for business through tax policy and the extent of regulation -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta...............(32(	____-1	____-2	____-3	____-4	____-5
2. Baltimore.............(33(	____-1	____-2	____-3	____-4	____-5
3. Boston................(34(	____-1	____-2	____-3	____-4	____-5
4. Chicago...............(35(	____-1	____-2	____-3	____-4	____-5
5. Cincinnati............(36(	____-1	____-2	____-3	____-4	____-5
6. Cleveland.............(37(	____-1	____-2	____-3	____-4	____-5
7. Columbus..............(38(	____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....(39(	____-1	____-2	____-3	____-4	____-5
9. Denver................(40(	____-1	____-2	____-3	____-4	____-5
10. Detroit...............(41(	____-1	____-2	____-3	____-4	____-5
11. Houston...............(42(	____-1	____-2	____-3	____-4	____-5
12. Kansas City...........(43(	____-1	____-2	____-3	____-4	____-5
13. Los Angeles...........(44(	____-1	____-2	____-3	____-4	____-5
14. Miami.................(45(	____-1	____-2	____-3	____-4	____-5
15. Milwaukee.............(46(	____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..(47(	____-1	____-2	____-3	____-4	____-5
17. New Orleans...........(48(	____-1	____-2	____-3	____-4	____-5
18. New York..............(49(	____-1	____-2	____-3	____-4	____-5
19. Norfolk...............(50(	____-1	____-2	____-3	____-4	____-5
20. Philadelphia..........(51(	____-1	____-2	____-3	____-4	____-5
21. Phoenix...............(52(	____-1	____-2	____-3	____-4	____-5
22. Pittsburgh............(53(	____-1	____-2	____-3	____-4	____-5
23. Portland, OR..........(54(	____-1	____-2	____-3	____-4	____-5
24. Sacramento............(55(	____-1	____-2	____-3	____-4	____-5
25. St. Louis.............(56(	____-1	____-2	____-3	____-4	____-5
26. San Diego.............(57(	____-1	____-2	____-3	____-4	____-5
27. San Francisco.........(58(	____-1	____-2	____-3	____-4	____-5
28. Seattle...............(59(	____-1	____-2	____-3	____-4	____-5
29. Tampa.................(60(	____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......(61(	____-1	____-2	____-3	____-4	____-5

ASK Q.8a THROUGH Q.8g ONLY FOR THOSE IN WHOLESALE, RETAIL, OR MANUFACTURING ON THE FACE PAGE

8a. When it comes to locating manufacturing, warehouse, or distribution facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on the cost and availability of labor in the area -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta...............(62(	____-1	____-2	____-3	____-4	____-5
2. Baltimore.............(63(	____-1	____-2	____-3	____-4	____-5
3. Boston................(64(	____-1	____-2	____-3	____-4	____-5
4. Chicago...............(65(	____-1	____-2	____-3	____-4	____-5
5. Cincinnati............(66(	____-1	____-2	____-3	____-4	____-5
6. Cleveland.............(67(	____-1	____-2	____-3	____-4	____-5
7. Columbus..............(68(	____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....(69(	____-1	____-2	____-3	____-4	____-5
9. Denver................(70(	____-1	____-2	____-3	____-4	____-5
10. Detroit...............(71(	____-1	____-2	____-3	____-4	____-5
11. Houston...............(72(	____-1	____-2	____-3	____-4	____-5
12. Kansas City...........(73(	____-1	____-2	____-3	____-4	____-5
13. Los Angeles...........(74(	____-1	____-2	____-3	____-4	____-5
14. Miami.................(75(	____-1	____-2	____-3	____-4	____-5
15. Milwaukee.............(76(	____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..(77(	____-1	____-2	____-3	____-4	____-5
17. New Orleans...........(78(	____-1	____-2	____-3	____-4	____-5
18. New York..............(79(	____-1	____-2	____-3	____-4	____-5
19. Norfolk...............(80(	____-1	____-2	____-3	____-4	____-5
20. Philadelphia......6*..(10(	____-1	____-2	____-3	____-4	____-5
21. Phoenix...............(11(	____-1	____-2	____-3	____-4	____-5
22. Pittsburgh............(12(	____-1	____-2	____-3	____-4	____-5
23. Portland, OR..........(13(	____-1	____-2	____-3	____-4	____-5
24. Sacramento............(14(	____-1	____-2	____-3	____-4	____-5
25. St. Louis.............(15(	____-1	____-2	____-3	____-4	____-5
26. San Diego.............(16(	____-1	____-2	____-3	____-4	____-5
27. San Francisco.........(17(	____-1	____-2	____-3	____-4	____-5
28. Seattle...............(18(	____-1	____-2	____-3	____-4	____-5
29. Tampa.................(19(	____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......(20(	____-1	____-2	____-3	____-4	____-5

8b. When it comes to locating manufacturing, warehouse, or distribution facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on the quality of life for employees, such as the availability of housing, transportation, and recreational facilities -- would you say it is excellent, pretty good, only fair, or poor?

		Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta...............	(21(	____-1	____-2	____-3	____-4	____-5
2. Baltimore.............	(22(	____-1	____-2	____-3	____-4	____-5
3. Boston................	(23(	____-1	____-2	____-3	____-4	____-5
4. Chicago...............	(24(	____-1	____-2	____-3	____-4	____-5
5. Cincinnati............	(25(	____-1	____-2	____-3	____-4	____-5
6. Cleveland.............	(26(	____-1	____-2	____-3	____-4	____-5
7. Columbus..............	(27(	____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....	(28(	____-1	____-2	____-3	____-4	____-5
9. Denver................	(29(	____-1	____-2	____-3	____-4	____-5
10. Detroit...............	(30(	____-1	____-2	____-3	____-4	____-5
11. Houston...............	(31(	____-1	____-2	____-3	____-4	____-5
12. Kansas City...........	(32(	____-1	____-2	____-3	____-4	____-5
13. Los Angeles...........	(33(	____-1	____-2	____-3	____-4	____-5
14. Miami.................	(34(	____-1	____-2	____-3	____-4	____-5
15. Milwaukee.............	(35(	____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..	(36(	____-1	____-2	____-3	____-4	____-5
17. New Orleans...........	(37(	____-1	____-2	____-3	____-4	____-5
18. New York..............	(38(	____-1	____-2	____-3	____-4	____-5
19. Norfolk...............	(39(	____-1	____-2	____-3	____-4	____-5
20. Philadelphia..........	(40(	____-1	____-2	____-3	____-4	____-5
21. Phoenix...............	(41(	____-1	____-2	____-3	____-4	____-5
22. Pittsburgh............	(42(	____-1	____-2	____-3	____-4	____-5
23. Portland, OR..........	(43(	____-1	____-2	____-3	____-4	____-5
24. Sacramento............	(44(	____-1	____-2	____-3	____-4	____-5
25. St. Louis.............	(45(	____-1	____-2	____-3	____-4	____-5
26. San Diego.............	(46(	____-1	____-2	____-3	____-4	____-5
27. San Francisco.........	(47(	____-1	____-2	____-3	____-4	____-5
28. Seattle...............	(48(	____-1	____-2	____-3	____-4	____-5
29. Tampa.................	(49(	____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......	(50(	____-1	____-2	____-3	____-4	____-5

8c. When it comes to locating manufacturing, warehouse, or distribution facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on having easy access to domestic markets, customers, or clients -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta...............	(51(____-1	____-2	____-3	____-4	____-5
2. Baltimore.............	(52(____-1	____-2	____-3	____-4	____-5
3. Boston................	(53(____-1	____-2	____-3	____-4	____-5
4. Chicago...............	(54(____-1	____-2	____-3	____-4	____-5
5. Cincinnati............	(55(____-1	____-2	____-3	____-4	____-5
6. Cleveland.............	(56(____-1	____-2	____-3	____-4	____-5
7. Columbus..............	(57(____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....	(58(____-1	____-2	____-3	____-4	____-5
9. Denver................	(59(____-1	____-2	____-3	____-4	____-5
10. Detroit...............	(60(____-1	____-2	____-3	____-4	____-5
11. Houston...............	(61(____-1	____-2	____-3	____-4	____-5
12. Kansas City...........	(62(____-1	____-2	____-3	____-4	____-5
13. Los Angeles...........	(63(____-1	____-2	____-3	____-4	____-5
14. Miami.................	(64(____-1	____-2	____-3	____-4	____-5
15. Milwaukee.............	(65(____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..	(66(____-1	____-2	____-3	____-4	____-5
17. New Orleans...........	(67(____-1	____-2	____-3	____-4	____-5
18. New York..............	(68(____-1	____-2	____-3	____-4	____-5
19. Norfolk...............	(69(____-1	____-2	____-3	____-4	____-5
20. Philadelphia..........	(70(____-1	____-2	____-3	____-4	____-5
21. Phoenix...............	(71(____-1	____-2	____-3	____-4	____-5
22. Pittsburgh............	(72(____-1	____-2	____-3	____-4	____-5
23. Portland, OR..........	(73(____-1	____-2	____-3	____-4	____-5
24. Sacramento............	(74(____-1	____-2	____-3	____-4	____-5
25. St. Louis.............	(75(____-1	____-2	____-3	____-4	____-5
26. San Diego.............	(76(____-1	____-2	____-3	____-4	____-5
27. San Francisco.........	(77(____-1	____-2	____-3	____-4	____-5
28. Seattle...............	(78(____-1	____-2	____-3	____-4	____-5
29. Tampa.................	(79(____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......	(80(____-1	____-2	____-3	____-4	____-5

8d. When it comes to locating manufacturing, warehouse, or distribution facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on having easy access to international markets, customers, or clients -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta...........7*..(10(	____-1	____-2	____-3	____-4	____-5
2. Baltimore.............(11(	____-1	____-2	____-3	____-4	____-5
3. Boston................(12(	____-1	____-2	____-3	____-4	____-5
4. Chicago...............(13(	____-1	____-2	____-3	____-4	____-5
5. Cincinnati............(14(	____-1	____-2	____-3	____-4	____-5
6. Cleveland.............(15(	____-1	____-2	____-3	____-4	____-5
7. Columbus..............(16(	____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....(17(	____-1	____-2	____-3	____-4	____-5
9. Denver................(18(	____-1	____-2	____-3	____-4	____-5
10. Detroit...............(19(	____-1	____-2	____-3	____-4	____-5
11. Houston...............(20(	____-1	____-2	____-3	____-4	____-5
12. Kansas City...........(21(	____-1	____-2	____-3	____-4	____-5
13. Los Angeles...........(22(	____-1	____-2	____-3	____-4	____-5
14. Miami.................(23(	____-1	____-2	____-3	____-4	____-5
15. Milwaukee.............(24(	____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..(25(	____-1	____-2	____-3	____-4	____-5
17. New Orleans...........(26(	____-1	____-2	____-3	____-4	____-5
18. New York..............(27(	____-1	____-2	____-3	____-4	____-5
19. Norfolk...............(28(	____-1	____-2	____-3	____-4	____-5
20. Philadelphia..........(29(	____-1	____-2	____-3	____-4	____-5
21. Phoenix...............(30(	____-1	____-2	____-3	____-4	____-5
22. Pittsburgh............(31(	____-1	____-2	____-3	____-4	____-5
23. Portland, OR..........(32(	____-1	____-2	____-3	____-4	____-5
24. Sacramento............(33(	____-1	____-2	____-3	____-4	____-5
25. St. Louis.............(34(	____-1	____-2	____-3	____-4	____-5
26. San Diego.............(35(	____-1	____-2	____-3	____-4	____-5
27. San Francisco.........(36(	____-1	____-2	____-3	____-4	____-5
28. Seattle...............(37(	____-1	____-2	____-3	____-4	____-5
29. Tampa.................(38(	____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......(39(	____-1	____-2	____-3	____-4	____-5

8e. When it comes to locating manufacturing, warehouse, or distribution facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on having easy access to raw materials -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta...............(40(	____-1	____-2	____-3	____-4	____-5
2. Baltimore.............(41(	____-1	____-2	____-3	____-4	____-5
3. Boston................(42(	____-1	____-2	____-3	____-4	____-5
4. Chicago...............(43(	____-1	____-2	____-3	____-4	____-5
5. Cincinnati............(44(	____-1	____-2	____-3	____-4	____-5
6. Cleveland.............(45(	____-1	____-2	____-3	____-4	____-5
7. Columbus..............(46(	____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....(47(	____-1	____-2	____-3	____-4	____-5
9. Denver................(48(	____-1	____-2	____-3	____-4	____-5
10. Detroit...............(49(	____-1	____-2	____-3	____-4	____-5
11. Houston...............(50(	____-1	____-2	____-3	____-4	____-5
12. Kansas City...........(51(	____-1	____-2	____-3	____-4	____-5
13. Los Angeles...........(52(	____-1	____-2	____-3	____-4	____-5
14. Miami.................(53(	____-1	____-2	____-3	____-4	____-5
15. Milwaukee.............(54(	____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..(55(	____-1	____-2	____-3	____-4	____-5
17. New Orleans...........(56(	____-1	____-2	____-3	____-4	____-5
18. New York..............(57(	____-1	____-2	____-3	____-4	____-5
19. Norfolk...............(58(	____-1	____-2	____-3	____-4	____-5
20. Philadelphia..........(59(	____-1	____-2	____-3	____-4	____-5
21. Phoenix...............(60(	____-1	____-2	____-3	____-4	____-5
22. Pittsburgh............(61(	____-1	____-2	____-3	____-4	____-5
23. Portland, OR..........(62(	____-1	____-2	____-3	____-4	____-5
24. Sacramento............(63(	____-1	____-2	____-3	____-4	____-5
25. St. Louis.............(64(	____-1	____-2	____-3	____-4	____-5
26. San Diego.............(65(	____-1	____-2	____-3	____-4	____-5
27. San Francisco.........(66(	____-1	____-2	____-3	____-4	____-5
28. Seattle...............(67(	____-1	____-2	____-3	____-4	____-5
29. Tampa.................(68(	____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......(69(	____-1	____-2	____-3	____-4	____-5

8f. When it comes to locating manufacturing, warehouse, or distribution facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on the climate state and local government creates for business through tax policy and the extent of regulation -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta...............(70(	____-1	____-2	____-3	____-4	____-5
2. Baltimore.............(71(	____-1	____-2	____-3	____-4	____-5
3. Boston................(72(	____-1	____-2	____-3	____-4	____-5
4. Chicago...............(73(	____-1	____-2	____-3	____-4	____-5
5. Cincinnati............(74(	____-1	____-2	____-3	____-4	____-5
6. Cleveland.............(75(	____-1	____-2	____-3	____-4	____-5
7. Columbus..............(76(	____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....(77(	____-1	____-2	____-3	____-4	____-5
9. Denver................(78(	____-1	____-2	____-3	____-4	____-5
10. Detroit...............(79(	____-1	____-2	____-3	____-4	____-5
11. Houston...............(80(	____-1	____-2	____-3	____-4	____-5
12. Kansas City........8*.(10(	____-1	____-2	____-3	____-4	____-5
13. Los Angeles...........(11(	____-1	____-2	____-3	____-4	____-5
14. Miami.................(12(	____-1	____-2	____-3	____-4	____-5
15. Milwaukee.............(13(	____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..(14(	____-1	____-2	____-3	____-4	____-5
17. New Orleans...........(15(	____-1	____-2	____-3	____-4	____-5
18. New York..............(16(	____-1	____-2	____-3	____-4	____-5
19. Norfolk...............(17(	____-1	____-2	____-3	____-4	____-5
20. Philadelphia..........(18(	____-1	____-2	____-3	____-4	____-5
21. Phoenix...............(19(	____-1	____-2	____-3	____-4	____-5
22. Pittsburgh............(20(	____-1	____-2	____-3	____-4	____-5
23. Portland, OR..........(21(	____-1	____-2	____-3	____-4	____-5
24. Sacramento............(22(	____-1	____-2	____-3	____-4	____-5
25. St. Louis.............(23(	____-1	____-2	____-3	____-4	____-5
26. San Diego.............(24(	____-1	____-2	____-3	____-4	____-5
27. San Francisco.........(25(	____-1	____-2	____-3	____-4	____-5
28. Seattle...............(26(	____-1	____-2	____-3	____-4	____-5
29. Tampa.................(27(	____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......(28(	____-1	____-2	____-3	____-4	____-5

8g. When it comes to locating, manufacturing, warehouse, or distribution facilities, how would you rate the (READ EACH ITEM AS APPROPRIATE) area on the availability of sites with existing electricity, water, sewage, and roads -- would you say it is excellent, pretty good, only fair, or poor?

	Excellent	Pretty Good	Only Fair	Poor	Not Sure
1. Atlanta...............	(29(____-1	____-2	____-3	____-4	____-5
2. Baltimore.............	(30(____-1	____-2	____-3	____-4	____-5
3. Boston................	(31(____-1	____-2	____-3	____-4	____-5
4. Chicago...............	(32(____-1	____-2	____-3	____-4	____-5
5. Cincinnati............	(33(____-1	____-2	____-3	____-4	____-5
6. Cleveland.............	(34(____-1	____-2	____-3	____-4	____-5
7. Columbus..............	(35(____-1	____-2	____-3	____-4	____-5
8. Dallas-Fort Worth.....	(36(____-1	____-2	____-3	____-4	____-5
9. Denver................	(37(____-1	____-2	____-3	____-4	____-5
10. Detroit...............	(38(____-1	____-2	____-3	____-4	____-5
11. Houston...............	(39(____-1	____-2	____-3	____-4	____-5
12. Kansas City...........	(40(____-1	____-2	____-3	____-4	____-5
13. Los Angeles...........	(41(____-1	____-2	____-3	____-4	____-5
14. Miami.................	(42(____-1	____-2	____-3	____-4	____-5
15. Milwaukee.............	(43(____-1	____-2	____-3	____-4	____-5
16. Minneapolis-St. Paul..	(44(____-1	____-2	____-3	____-4	____-5
17. New Orleans...........	(45(____-1	____-2	____-3	____-4	____-5
18. New York..............	(46(____-1	____-2	____-3	____-4	____-5
19. Norfolk...............	(47(____-1	____-2	____-3	____-4	____-5
20. Philadelphia..........	(48(____-1	____-2	____-3	____-4	____-5
21. Phoenix...............	(49(____-1	____-2	____-3	____-4	____-5
22. Pittsburgh............	(50(____-1	____-2	____-3	____-4	____-5
23. Portland, OR..........	(51(____-1	____-2	____-3	____-4	____-5
24. Sacramento............	(52(____-1	____-2	____-3	____-4	____-5
25. St. Louis.............	(53(____-1	____-2	____-3	____-4	____-5
26. San Diego.............	(54(____-1	____-2	____-3	____-4	____-5
27. San Francisco.........	(55(____-1	____-2	____-3	____-4	____-5
28. Seattle...............	(56(____-1	____-2	____-3	____-4	____-5
29. Tampa.................	(57(____-1	____-2	____-3	____-4	____-5
30. Washington, D.C.......	(58(____-1	____-2	____-3	____-4	____-5

ASK EVERYONE

9a. In general, to what extent would you say (READ EACH ITEM) impacts the price of business real estate in the markets around the country where you have facilities -- a great deal, somewhat, not very much, or not at all?

ROTATE -- START AT "X"	Great Deal	Somewhat	Not Very Much	Not At All	Not Sure
( ) 1. High demand for space by businesses...	(____(____-1	____-2	____-3	____-4	____-5
( ) 2. Overbuilding by developers............	(____(____-1	____-2	____-3	____-4	____-5
( ) 3. Real estate purchases by foreign investors............................	(____(____-1	____-2	____-3	____-4	____-5
( ) 4. Federal tax treatment of real estate as an investment......................	(____(____-1	____-2	____-3	____-4	____-5
( ) 5. The level of long term interest rates.	(____(____-1	____-2	____-3	____-4	____-5
( ) 6. State and local business taxes........	(____(____-1	____-2	____-3	____-4	____-5

9b. Looking again at Card A, in which two or three of those areas would you say high demand for space by businesses has the greatest impact on the price of business real estate? MULTIPLE RECORD BELOW

9c. In which two or three areas would you say overbuilding by developers has the greatest impact on the price of business real estate? MULTIPLE RECORD BELOW

9d. In which two or three areas would you say real estate purchases by foreign investors has the greatest impact on the price of business real estate? MULTIPLE RECORD BELOW

9e. In which two or three areas would you say state and local business taxes have the greatest impact on the price of business real estate? MULTIPLE RECORD BELOW

	High Demand	Over-Building	Foreign Investors	State and Local Taxes
1. Atlanta..................	(65(____-1	(69(____-1	(73(____-1	(77(____-1
2. Baltimore....................	____-2	____-2	____-2	____-2
3. Boston.......................	____-3	____-3	____-3	____-3
4. Chicago......................	____-4	____-4	____-4	____-4
5. Cincinnati...................	____-5	____-5	____-5	____-5
6. Cleveland....................	____-6	____-6	____-6	____-6
7. Columbus.....................	____-7	____-7	____-7	____-7
8. Dallas-Fort Worth............	____-8	____-8	____-8	____-8
9. Denver.......................	____-9	____-9	____-9	____-9
10. Detroit.....................	____-0	____-0	____-0	____-0
11. Houston..................	(66(____-1	(70(____-1	(74(____-1	(79(____-1
12. Kansas City.................	____-2	____-2	____-2	____-2
13. Los Angeles.................	____-3	____-3	____-3	____-3
14. Miami.......................	____-4	____-4	____-4	____-4
15. Milwaukee...................	____-5	____-5	____-5	____-5
16. Minneapolis-St. Paul........	____-6	____-6	____-6	____-6
17. New Orleans.................	____-7	____-7	____-7	____-7
18. New York....................	____-8	____-8	____-8	____-8
19. Norfolk.....................	____-9	____-9	____-9	____-9
20. Philadelphia................	____-0	____-0	____-0	____-0
21. Phoenix..................	(67(____-1	(71(____-1	(75(____-1	(79(____-1
22. Pittsburgh..................	____-2	____-2	____-2	____-2
23. Portland, OR................	____-3	____-3	____-3	____-3
24. Sacramento..................	____-4	____-4	____-4	____-4
25. St. Louis...................	____-5	____-5	____-5	____-5
26. San Diego...................	____-6	____-6	____-6	____-6
27. San Francisco...............	____-7	____-7	____-7	____-7
28. Seattle.....................	____-8	____-8	____-8	____-8
29. Tampa.......................	____-9	____-9	____-9	____-9
30. Washington, D.C.............	____-0	____-0	____-0	____-0
Not sure.................	(68(____-1	(72(____-1	(76(____-1	(80(____-1

10a. Thinking about all of your office operations in the United States, in the next twelve months do you plan to (READ EACH ITEM), or not?

DO NOT ROTATE LIST	Plan	Don't Plan	Not Sure
1. Lease new space....................9*.	(10(___-1	___-2	___-3
2. Purchase new space....................	(11(___-1	___-2	___-3
3. Build new space........................	(12(___-1	___-2	___-3
4. Acquire space and renovate it for a new purpose............................	(13(___-1	___-2	___-3
5. Terminate a lease or sell a facility....	(14(___-1	___-2	___-3

ASK Q.10b ONLY OF THOSE WITH AT LEAST ONE "X" IN BOX IN Q.10a. SKIP OTHERS TO INSTRUCTIONS ABOVE Q.11a.

10b. So far as you know, in which cities or areas are you actually planning to acquire office space in the next twelve months? DO NOT READ LIST -- MULTIPLE RECORD BELOW

Allentown/Bethlehem/Lehigh Valley (PA).......................(15(____-1
Atlanta and suburbs (GA)..____-2
Austin (TX)...____-3
Baltimore (MD)..____-4
Boston/Lawrence/Salem (MA)..____-5
Buffalo/Niagara Falls (NY)..____-6
Charlotte (NC)..____-7
Chicago/Gary/Lake County/suburbs (IL/IN/WI).......................____-8
Cincinnati/Hamilton (OH/KY/IN)....................................____-9
Cleveland/Akron/Lorain (OH).......................................____-0
Columbus (OH)..(16(____-1
Dallas/Ft. Worth (TX)...____-2
Denver/Boulder (CO)...____-3
Detroit/Ann Arbor/Southfield (MI).................................____-4
Greensboro/Winston-Salem (NC).....................................____-5
Hartford/New Haven (CT)...____-6
Houston/Galveston/Brazoria (TX)...................................____-7
Indianapolis (IN)...____-8
Jacksonville (FL)...____-9
Kansas City (MO/KS)...____-0
Los Angeles/Anaheim/Riverside/San Fernando/
  Orange County/Newport Beach (CA)...........................(17(____-1
Louisville (KY)...____-2
Memphis (TN)..____-3
Miami/Ft. Lauderdale/Boca Raton (FL)..............................____-4
Milwaukee/Racine (WI)...____-5
Minneapolis/St. Paul (MN)...____-6
Nashville (TN)..____-7
New Orleans (LA)..____-8
New York City
  New York City (NY)..____-9
  Westchester County (NY)...____-0
  Long Island (NY)...(18(____-1
  Northern New Jersey/Parsippany/Lyndhurst (NJ)...................____-2
  Southern Connecticut/Stamford (CT)..............................____-3
Orlando (FL)..____-4
Philadelphia
  Philadelphia (PA)...____-5
  South Jersey (NJ)...____-6
Phoenix (AZ)..____-7
Pittsburgh/Beaver Valley (PA).....................................____-8
Portland/Vancouver (OR/WA)..____-9
Princeton (NJ)..____-0
Raleigh/Durham (NC)..(19(____-1
St. Louis/East St. Louis/Alton (MO/IL)............................____-2
San Antonio (TX)..____-3
San Diego (CA)..____-4
San Francisco/Oakland/San Jose/San Mateo County/
  Contra Costa County (CA)..____-5
Seattle/Tacoma/Bellevue (WA)......................................____-6
Tampa/St. Petersburg (FL)...____-7
Washington D.C. and suburbs (DC)..................................____-8
Other (SPECIFY)
____...____-9
Not sure..____-0

ASK Q.11a IF WHOLESALE, RETAIL OR MANUFACTURING COMPANY ON FACE SHEET -- SKIP OTHERS TO Q.12

11a. Thinking about all of your manufacturing, warehouse, or distribution operations in the United States, in the next twelve months do you plan to (READ EACH ITEM), or not?

DO NOT ROTATE LIST	Plan	Don't Plan	Not Sure
1. Lease new space........................	(20(____-1	____-2	____-3
2. Purchase new space.....................	(21(____-1	____-2	____-3
3. Build new space........................	(22(____-1	____-2	____-3
4. Acquire space and renovate it for a new purpose...........................	(23(____-1	____-2	____-3
5. Terminate a lease or sell a facility	(24 ____-1	____-2	____-3

ASK Q.11b ONLY OF THOSE WITH AT LEAST ONE "X" IN BOX IN Q.11a. SKIP OTHERS TO Q.12.

11b. So far as you know, in which cities or areas are you actually planning to acquire manufacturing, warehouse or distribution space in the next twelve months?

DO NOT READ LIST -- MULTIPLE RECORD BELOW

Allentown/Bethlehem/Lehigh Valley (PA)........................(25(____-1
Atlanta and suburbs (GA)..____-2
Austin (TX)...____-3
Baltimore (MD)..____-4
Boston/Lawrence/Salem (MA)......................................____-5
Buffalo/Niagara Falls (NY)......................................____-6
Charlotte (NC)..____-7
Chicago/Gary/Lake County/suburbs (IL/IN/WI).....................____-8
Cincinnati/Hamilton (OH/KY/IN)..................................____-9
Cleveland/Akron/Lorain (OH).....................................____-0
Columbus (OH)...(26(____-1
Dallas/Ft. Worth (TX)...____-2
Denver/Boulder (CO)...____-3
Detroit/Ann Arbor/Southfield (MI)...............................____-4
Greensboro/Winston-Salem (NC)...................................____-5
Hartford/New Haven (CT)...____-6
Houston/Galveston/Brazoria (TX).................................____-7
Indianapolis (IN)...____-8
Jacksonville (FL)...____-9
Kansas City (MO/KS)...____-0
Los Angeles/Anaheim/Riverside/San Fernando/
  Orange County/Newport Beach (CA)..............................(27(____-1
Louisville (KY)...____-2
Memphis (TN)..____-3
Miami/Ft. Lauderdale/Boca Raton (FL)............................____-4
Milwaukee/Racine (WI)...____-5
Minneapolis/St. Paul (MN).......................................____-6
Nashville (TN)..____-7
New Orleans (LA)..____-8
New York City
  New York City (NY)..____-9
  Westchester County (NY).......................................____-0
  Long Island (NY)..(28(____-1
  Northern New Jersey/Parsippany/Lyndhurst (NJ).................____-2
  Southern Connecticut/Stamford (CT)............................____-3
Orlando (FL)..____-4
Philadelphia
  Philadelphia (PA)...____-5
  South Jersey (NJ)...____-6
Phoenix (AZ)..____-7
Pittsburgh/Beaver Valley (PA)...................................____-8
Portland/Vancouver (OR/WA)......................................____-9
Princeton (NJ)..____-0
Raleigh/Durham (NC)...(29(____-1
St. Louis/East St. Louis/Alton (MO/IL)..........................____-2
San Antonio (TX)..____-3
San Diego (CA)..____-4
San Francisco/Oakland/San Jose/San Mateo County/
  Contra Costa County (CA)......................................____-5
Seattle/Tacoma/Bellevue (WA)....................................____-6
Tampa/St. Petersburg (FL).......................................____-7
Washington D.C. and suburbs (DC)................................____-8
Other (SPECIFY)
____...____-9
Not sure..____-0

ASK EVERYONE

12. Over the next twelve months, do you expect the number of office employees working for your company overall to increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal?

Increase a great deal.......(30(____-1
Increase somewhat................____-2
Stay the same....................____-3
Decrease somewhat................____-4
Decrease a great deal............____-5
Not sure.........................____-6

ASK Q.13 IF WHOLESALE, RETAIL, OR MANUFACTURING COMPANY ON FACE SHEET -- SKIP OTHERS TO Q.14

13. Over the next twelve months, do you expect the number of manufacturing, warehouse, and distribution employees working for your company overall to increase a great deal, increase somewhat, stay the same, decrease somewhat, or decrease a great deal?

Increase a great deal.......(31(____-1
Increase somewhat................____-2
Stay the same....................____-3
Decrease somewhat................____-4
Decrease a great deal............____-5
Not sure.........................____-6

ASK EVERYONE

14. Over the next twelve months, do you expect your company's capital expenditures to increase a great deal, increase somewhat, stay the same as they've been this year, decrease somewhat, or decrease a great deal?

Increase a great deal.......(32(____-1
Increase somewhat................____-2
Stay the same....................____-3
Decrease somewhat................____-4
Decrease a great deal............____-5
Not sure.........................____-6

15. And about what percentage of your company's worldwide sales annually are to customers outside the U.S.? CODE INTO APPROPRIATE CATEGORY. DO NOT READ LIST

None........................(33(____-1
1 - 14%..........................____-2
15 - 24%.........................____-3
25 - 34%.........................____-4
35 - 49%.........................____-5 /34-80Z/
50% or more......................____-6
Not sure.........................____-7

That concludes the interview. Thank you very much for your participation!

TIME ENDED:__________A.M./P.M.

Offices

Headquarters

1166 Avenue of the Americas
New York, New York 10036
212/841-7500

Arizona

Phoenix

California

Contra Costa County
Los Angeles
Los Angeles (North)
(San Fernando/Ventura County)
Los Angeles South Bay
Los Angeles West
Newport Beach/Irvine
Oakland
Ontario
Orange
San Francisco
San Francisco Peninsula
(San Mateo County)
San Jose

Colorado

Denver

Connecticut

Hartford
New Haven
Stamford

District of Columbia

Washington
Washington (Suburban)

Florida

Boca Raton
Jacksonville
Miami
Orlando
Tampa Bay
West Palm Beach

Georgia

Atlanta
Atlanta (Suburban)

Illinois

Chicago
Chicago (Suburban)

Kentucky

Louisville

Massachusetts

Boston

Michigan

Southfield

New Jersey

Lyndhurst
Parsippany
Princeton

New York

Long Island
New York (Downtown)
New York (Midtown)

North Carolina

Charlotte
Greensboro/Winston-Salem
Raleigh/Durham

Oregon

Portland

Pennsylvania

Lehigh Valley
Philadelphia
Pittsburgh

Tennessee

Memphis
Nashville

Texas

Austin
Dallas
Dallas (Suburban)
Houston
San Antonio

Virginia

Northern Virginia

Washington

Bellevue
Seattle

CUSHMAN & WAKEFIELD
[illegible]